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THE question of what disposition is to be made of the Germans in China seems now to be definitely decided. As fast as shipping accommodations can be provided they are to be deported, their destination being Australia, where they are to be interned for the duration of the war. The s. s. *Yawata Maru* is to take the first batch to the Commonwealth, and this ship is now being outfitted for that purpose. In view of the decision which has been taken in this matter it will be interesting to note how some of the other belligerents in the present war have dealt with the subject of enemy aliens—a succinct account of which is given in the most recent issue of the *American Journal of International Law*. The practice during the present war has been generally less liberal than during previous wars owing to the extreme bitterness of passion which has dominated all the peoples involved. The question was also made more difficult owing to the

presence of large numbers of reservists in the territories of many of the belligerents at the outbreak of the war.

IN the United States there are several hundred thousand Germans who have never been naturalized, and the number of persons in America who were born in enemy countries extends considerably beyond the million mark. Immediately upon the declaration of war against Germany by the United States, President Wilson (on April 6, 1917) issued a declaration that so long as enemy subjects in the country conducted themselves in accordance with the law they would be undisturbed in the peaceful pursuit of their lives and occupations, except so far as restrictions would be necessary for their own protection and the safety of the United States. Later on, however, several hundred barred zones were announced, into which or near which enemy aliens may not proceed. An alien enemy, for instance, may not approach within half a mile of any fort, camp, arsenal, aircraft station, navy yard, or workshop for the manufacture of munitions of war or of any products for the use of the U. S. army or navy. And despite the large percentage of enemy subjects among the civilian population, they must, perforce, keep very quiet. The American spirit is fairly voiced by James T. Gerard, ex-Ambassador to Germany, who continues to advocate that German agents in the country be hanged to lamp-posts—a policy which, it may be remembered, he threatened while still in Germany. There are also several hundred newspapers still being published in the German language in the United States, but so long as they do not openly prove disloyal they are not suppressed. In order, however, that their utterances may be carefully watched, the Government requires the publishers to print a translation in

English of all their editorial comments. Owing to lack of advertising support a considerable portion of these German-American papers have already suspended publication, and the demand for their total suppression is becoming daily more insistent.

IN the United Kingdom there were about 50,000 German subjects when the war broke out, in addition to about 8,000 naturalized subjects of German origin, the latter of whom English public opinion scarcely differentiated from the former class. The day after war broke out the British Parliament passed the Aliens Restriction Act, which empowered the Government to prohibit aliens to land or embark, and to deport, to segregate and to register them. No enemy alien was allowed to travel five miles from his registered place of residence without a permit. Enemy aliens were prohibited from engaging in banking, except with the written permission of a Secretary of State. At the outbreak of the war the British Government accorded to German subjects a period of seven days during which they might leave, but it does not appear that any considerable number actually got away. Shortly after the outbreak of hostilities the German Government made a proposal for the reciprocal treatment of each other's subjects within the enemy country, but this would have meant that the British should exchange more than 50,000 Germans for some 5,000 British subjects in Germany. At first the British policy was to interfere as little as possible with enemy subjects, but as the anti-German feeling throughout the Empire spread as a result of German atrocities, the demand became more insistent that they should be interned wholesale, and, according to an announcement of the Prime Minister, May 13, 1915, practically the entire enemy population, as well as the majority of naturalized British subjects of enemy origin, had been arrested and sent to concentration camps in various parts of England and the Isle of Man. So far as possible, work was provided at the camps for those desiring it. Nevertheless, the German Government protested against the policy of wholesale internment as "unprecedented, harsh and unnecessary."

THE problem of the alien in France was even more difficult to deal with than it was in England, owing to the larger numbers. During the first days of the war the French Government gave notice that all foreigners might leave France before the completion of mobilization. By décret of August 3, 1914, the police authorities of the frontier were instructed not to permit any person to leave France without a passport. Until that date Germans had been free to leave France without restriction, and,

despite the short space of time, a considerable number succeeded in getting away. Those who remained were, from the beginning, subjected to a rigorous regime of surveillance for the purpose of preventing espionage. German policy at the beginning of the war was to "play to the gallery" of the world by treating the enemy alien within her gates with apparently uncalled-for liberality. But, owing to the fact that the number of non-Germans in Germany at the outbreak of the war was comparatively small, the German Government could, in the early days of the war, without any hurt to the safety of the country, apply less drastic regulations than those of either the British or French Governments. Up until the 6th of November, 1914, considerable liberty of movement had been allowed to British subjects, and they had been allowed to carry on their business without serious interference. But on that date an order was issued for the general internment of all British males between the ages of 17 and 55.

IF China has been a long time in getting into action in dealing with enemy aliens she has only followed in the footsteps of Japan, where the treatment of enemy aliens has been exceptionally liberal. Touching on this point, James W. Garner writes:

"Although all Japanese subjects in Germany were arrested at the outbreak of war between the two countries and were treated with great indignity, the Japanese Government did not resort to such measures, but treated Germans as it did foreigners of neutral nationality. There were no outbreaks against Germans and no manifestations of hostility. Not even German teachers or tutors were discharged. No restrictions were placed upon their freedom of movement, and even German reservists were allowed to return to Germany on Japanese ships. German business men continued their business as before the war, without molestation or restriction, and agents of German houses regularly furnished their Japanese customers with goods."

THE American Cotton Manufacturers' Association and the National Association of Cotton Manufacturers recently held their joint convention in New York. Although most of the program of the convention dealt with the part the cotton interests are doing to assist the American Government in the prosecution of the war, there were several features of the meeting of interest to China. An important feature of the convention, of especial interest to cotton manufactures in China, was an exhibit of cotton spinning and weaving machinery. This is referred to elsewhere in this issue of the REVIEW. Another important feature of the meeting was the making public of a government report showing that as a result of the war America has become the silk producing center of the world. The report

showed that the former source of much of the manufactured silk that was used in the United States, namely Europe, has been unable to continue the manufacture, and American mills have jumped into the gap and are now producing the necessary yardage. This same cause has also stimulated the manufacture of silk and the production of raw silk in the Orient.

STILL another feature of the convention was an address dealing with China by Mr. D. E. Douty, who spent several months in China last year in the interest of encouraging improvement in the methods of raw silk production in China. In the course of Mr. Douty's speech he said:

"We must consider China from the standpoint of an equitable interchange of commodities. With a population of about four hundred million people, her capacity for absorbing goods is immense, provided she has the purchasing power to secure them. Encourage China to produce those things which America needs and you will supply her with the purchasing power with which she can buy our products. If we can buy from China larger quantities of tea, rice, raw silk, bean oil, bean cake, and similar commodities which she is especially prepared to furnish through favorable climatic and agricultural conditions, together with her abundant labor supply, we will be able to sell her larger quantities of mining machinery, railroad supplies and equipments, agricultural implements and manufactured products required by her in immense quantities as the standards of living of the Chinese masses begin to improve. To the advancement of American trade in the Orient four things are absolutely necessary: First—the improvement of our banking facilities. Second—the enactment of a Federal incorporation law. Third—the introduction into the field of properly qualified American men to represent American interests. Fourth—an open door in fact as well as in name."

THERE is vexation of spirit and bitterness of heart revealed in the advice of a vernacular paper in Peking tendered to both contending factions in this country to come together as soon as possible to a peace conference to settle their differences, as further prolongation of the needless strife can only bring ruin to both, since neither will be able to carry out the task which they set out to accomplish. As to the hope of self-enrichment on the part of the political and military leaders, it could be better advanced by peace than war, because it would be possible for both sides to divide the spoils by mutual concession and agreement, whereas if continued strife leads to alien aggression there will be no spoils to share amongst the leaders, as the spoils will have been seized by the aggressor that intervenes. It is capital advice.

The advice might bear good fruit amongst those who stand on the narrow platform of self-interest. The vernacular paper in question is apparently a good judge of the mental and moral calibre of the Chinese politician. We wonder if Chinese officials are familiar with the story of the vulture who carried away the bone while the two jackals were contending for its possession? If they have not the patriotism, they ought to have sufficient intelligence to realize that at the present moment the country is faced with an external menace that rears its ugly head for everyone to see. Whilst we do not agree with a certain contemporary on a good many vital questions, we endorse the view that all the dirty linen in the world will get a good cleansing after the war. For the moment, it is vital that every ounce of energy should be concentrated in the task of whipping Germany, the nation that is a common menace to all the Allied nations alike. China should abandon her civil war and enter the war of democracy against autocracy in Europe with a little more zest than she has hitherto manifested.

WITHIN the past few days a notable change has been brought about in the political situation in China, which may conceivably lead in the near future to the restoration of peace. The sudden return of General Tsao Kun, hitherto one of the staunchest militarists and supporters of Premier Tuan Chi-jui, from the scene of operations in Hunan to his headquarters in Tientsin is a crushing blow to the authority and prestige of the Premier, the significance of which is not to be minimised in a country where loss of "face" is everything. General Tsao Kun's step may foreshadow the rapid disintegration of the military cabal which has come to be known as the Peyiang Party. The fact that Premier Tuan the other day sent down General Chin Yung-peng to Tientsin to "inquire after the health" of General Tsao Kun in itself suffices to reveal the extent of the cleavage that has occurred in the Northern military camp and a critical situation may easily arise during the forthcoming Presidential election in October; besides there is some possibility of a clash between President Feng Kuo-chang and Premier Tuan Chi-jui. President Feng has purposely kept in the background of politics and allowed full sway to Premier Tuan's policy, in order, no doubt, the more sharply to reveal the failure of the latter's militaristic policy. President Feng is a more subtle politician than the rest of his fellows and it is not improbable that he realizes that the most effective, and perhaps the only, solution of China's troubles must be ultimately found to rest on the basis of his alliance with the South and South-western provinces. Something big may emerge from the next Presidential election, especially as it is

known that more than one monarchist is casting covetous eyes on the Presidency.

WITH the arrival in Shanghai of Admiral Tsai Ting-kai, the recently appointed chairman of the Tariff Revision Commission, it is to be hoped that considerably more progress than can be recorded to date will be made towards deciding upon the specific figures which are to constitute the new Customs' tariff for China, and which are, as nearly as may be, to make the rates equivalent to a 5% duty instead of about 3½%, as at present. When the first sittings of the Commission were about to take place the REVIEW hazarded the opinion that conditions were such that it would probably take some time for the commissioners to arrive at figures which would be satisfactory to all concerned. But we had not anticipated anything like what has really happened. Although the Commission has now been holding sittings for many months, it seems that not one single schedule has yet been agreed upon. It might tend to hasten the work in hand if the commissioners were to adopt a policy of giving more publicity to the proceedings as they take place. In the absence of any official minutes, the public has to depend on rumors, and it is an open secret that it is the claims which the Japanese commissioners are putting forward that are delaying an agreement; and it seems that the delegates from the other principal trading nations are continually telegraphing to their respective home offices for instructions as to how to meet the situation. The feeling seems to be growing that Japan is taking advantage of conditions created by the war in Europe to play a stronger hand than she would be inclined to in times of peace, and unless there is a change in the spirit with which the negotiations are being conducted there is a possibility that no revision of China's tariff will take place until after the conclusion of the war in Europe.

JAPAN in this matter of tariff revision has some bitter memories to reflect upon and any appeal to her for sympathy with China in this respect will probably fall on deaf ears. Like China, Japan was forced in the early years of foreign intercourse to sign away control of her Customs' revenue, which was fixed at 5%. Almost from the very beginning there was agitation with a view towards getting the country relieved of this burden. One of the earliest efforts to this end was the Iwakura Mission, which was sent in 1871 to appeal to the generosity of the Powers to cancel the treaty and allow Japan tariff autonomy with the chance to make the tax a real source of revenue. The Mission met with a hearty response in America, and Japan was promised what she sought provided that the other Powers concerned would agree.

The Mission, however, received a somewhat cool reception in Europe, and when the Japanese populace learned that their wishes were not receiving attention, quite a wave of anti-foreignism swept through the country. Count Okuma, in his "Fifty Years of New Japan," in touching on this point says: "The history of tariff revision, as far as Japan was concerned, was one of bitter disappointment and chagrin until the year of 1894, when the British Rosebery Ministry, with a happy foresight into the future, took the initiative in the matter, and forty years of national wrong and humiliation were happily wiped out. No less than half a dozen overtures had been made before then to the Treaty Powers. . . . In 1882 Count Inouye made overtures to the British Government and a preliminary conference was summoned to settle the basis of negotiations. The tariff was to be raised from 5 to 10%. The conferences produced, however, very little result, although Count Inouye and the foreign representatives met no less than twenty-eight times in the course of the year." The negotiations for tariff autonomy—which in the case of Japan went hand in hand with extraterritoriality—were started afresh by Count Okuma in 1888, but the venerable Count, in trying to secure better terms from the foreign Powers, unfortunately offended some of his own countrymen, and as a result he is a man with one leg to-day, amputation having followed an injury caused by a bomb thrown at his carriage during that year by a young man named Tsuneki. The treaty with Great Britain abolishing extraterritoriality was eventually signed in London by Lord Rosebery and Viscount Aoki July 16, 1894, and the example of Great Britain was followed by the other Powers shortly afterwards. Thus were the tariff troubles of Japan, so far as they were caused by foreign supervision, brought to an end.

MILLARD'S REVIEW OF THE FAR EAST

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J. L. HUTCHISON

NEW YORK REPRESENTATIVE

ROOM 529. 17 BATTERY PLACE

NEW YORK, U.S.A.

MR. McADOO, as the Director of American Railways, has decided that American trans-continental passengers shall hereafter not have, as they have had for many years, a choice of routes when traveling across the country. For instance, supposing that a passenger left Shanghai for New York, going on a Japanese boat to Seattle. Up until this time the passenger had the choice of a great many routes in traveling eastwards, the fares by all lines being exactly the same. For instance, he could, if he chose, instead of going by one of the direct lines (which is about a four days' journey), travel all the way down the west coast through San Francisco as far as Los Angeles, and then across to Albuquerque, New Mexico, from there take the line down along the Río Grande to El Paso, then go on to New Orleans, stop over and leisurely continue his journey by way of Atlanta, Washington and Baltimore to New York, this trip costing, as previously mentioned, the same fare as if the traveler had gone straight to Chicago and thence to the American metropolis. Under the revolutionized plan of handling traffic the passenger will no longer have a choice of routes. The traveler *via* Seattle and junction points must go by the Chicago, Milwaukee and St. Paul; *via* San Francisco, he must take the Southern Pacific; and *via* Los Angeles, he must take the Santa Fe. At least this schedule holds good for travelers from eastern points of America going westwards, and it is to be presumed that the same regulations will be enforced in the opposite direction.

IT was mentioned in the REVIEW of May 25 that the British business community was considerably exercised over the fact that, despite an offer made by the premier hong in Shanghai, the shareholders of the International Cotton Manufacturing Co. Ltd. had decided to to accept a previous offer of a Japanese syndicate, notwithstanding that it was considerably lower. It was also mentioned that a movement was on foot in British business circles to have the acceptance of the Japanese offer negatived at the confirmatory meeting on June 5. This confirmatory meeting has now been held and *the sale to the Japanese has been confirmed*. The REVIEW agrees with the *North China Daily News*, which refers to this incident as "A Regrettable Sale" (See "Press Comment"). It is rumored that several other British cotton mills in Shanghai have also received offers to sell (from Japanese) and in each case there is a preponderating element among the shareholders (as was the case with the International) who are in favor of selling—the prices offered being a considerable advance on the average price of the shares, but, of course, much less than similar plants could be duplicated at present factory and freight prices.

Japan Seeking China's Tobacco Monopoly

BY HOLLINGTON K. TONG

THE Chinese are spending Mex. \$60,000,000 [a very low estimate—Ed.] a year for cigars and cigarettes, according to the conservative estimate of an expert. As this trade is growing by leaps and bounds, Japan is negotiating for its monopoly through her secret agent in the Capital. She has offered to China, as an inducement, a thirty million yen loan, a large part of whose proceeds is to be used for military purposes. The Chinese officials have been found ready and willing to negotiate for it. In order to ease their conscience for bartering away tobacco, and incidentally the wine tax, they are whispering to their intimate friends: "After me the deluge."

For a fortnight this loan of Yen 30,000,000 has been negotiated between Mr. Nishihara, representing Japan, and a Chinese official who has recently come into prominence. The interested Japanese bankers demand that the wine and tobacco tax should be pledged as its security, and that an administration for its collection, similar to the Salt Administration, with a Japanese at the head of it, should be established. They have no objection, it is understood, to the expenditure of a large portion of the loan proceeds for fighting against the South, but suggest that only a small sum be devoted to the organization of the said administration, which suggestion already means a great deviation from usual Japanese practices. The Japanese Legation has issued an official denial of the negotiations of the loan, but little faith is placed on such a denial nowadays. On the day the loan is concluded China's wine and tobacco tax will be transferred to Japan for collection, and so the monopoly for both wine and tobacco trades in this country will belong to her! This will be the net result of the conclusion of the present negotiations. Undoubtedly, the responsible officials thoroughly understand the situation.

Nothing good or profitable can come out of dealings with a foreign secret agent, and least of all with a Japanese secret agent. Well-informed people in Peking unanimously agree that Mr. Nishihara is one of several secret agents sent here by Count Terauchi, Prime Minister of Japan, who seems to have been applying to China the same methods he used in Korea as Governor-General in obtaining the complete subjugation of that unfortunate country and exploiting the Chosenese with cleverness unsurpassed. Confederates of Count Terauchi have truly discovered this country to be an even more fruitful soil than Korea. Nishihara, one of

them, has been accordingly given the mission to obtain the control of China's wine and tobacco tax. It was he who was sent to this country, before the declaration of war against Germany and Austria-Hungary last year, in quest of further concessions. But a serious scandal arose. The press in Japan relentlessly attacked Terauchi, attributing to him all kinds of unworthy and disloyal motives in sending Nishihara over here. They pointed out that only the Court had the right and power to send secret agents to another country and that in arrogating to himself this right and this power, Terauchi overstepped his legal boundary. In consequence of this press campaign, Terauchi recalled Nishihara. The second mission of Nishihara to China was in connection with the Arms Loan, which was finally concluded.

Like the shadow of the ghost in Macbeth, Nishihara has appeared in China for the third time, and this time he has come to secure China's wine and tobacco monopoly. He is now staying in the Hotel de Peking, which serves as his temporary headquarters. Nominally he is representing the Chosen Bank in Korea, through which Terauchi, as is reported, endeavors to profit himself, his followers and his country. In reality he is representing the Japanese Government in all secret negotiations. He is assisted by Mr. Fuzihara, advisor to the Bank of Communications, who is accused of supplying Terauchi with all information concerning China's finance in general, and the credit of the Bank with which he is connected particularly, and of occasionally acting as a go-between in dealings between the Prime Minister of Japan and a portion of the Chinese Government. Fuzihara was engaged as advisor to the Bank of Communications half a year ago, having served under Count Terauchi in Korea before. He is said to have been responsible for the negotiations of several loans recently signed for military purposes. Besides Nishihara and Fuzihara, the Chunghua Exchange Bank, a so-called Chinese-Japanese concern which has been entirely financed by Japanese bankers, with a figure-head Chinese Director in Peking, is powerfully aiding Count Terauchi in effecting the wine and tobacco reform for China for the benefit of Japan.

On this problem Japan has worked for some time already. Requisite steps have been taken preparatory to its solution. For instance, she has secured the tobacco tax in Manchuria for several Japanese loans. Her bankers have also successfully coerced the Nanyang Brothers, a Chinese tobacco company, to accept from them disastrous loans, as is currently reported, and have thus brought it under their influence, whilst their government has been giving all support and encouragement to the East Asia Tobacco Company, a Japanese firm.

But, before Japan can succeed in concluding the present loan, she will have to overcome insurmountable difficulties. That is perhaps the reason why the negotiations are being kept so secret that nobody knew anything about them until two weeks later. America and France can be counted upon to protest against the loan, if its details are known to them, which are slow in coming. To their nationals have already been pledged the wine and tobacco tax, at least a part of it. For instance, a year ago China concluded a loan of G. \$5,000,000 with the Continental Trust Savings Bank of Chicago. The tobacco tax was pledged as security for the loan. During Yuan Shih-kai's time the Bank Industrielle de Chine lent some money to China, which was secured also on wine and tobacco receipts. American and French opposition to the negotiations of the present Japanese loan is therefore expected. If it comes, it is only logical and is in the nature of give and take. In June, 1917, the Continental Trust Savings Bank of Chicago negotiated with the Chinese Government for the second loan of G. \$50,000,000, when Li Yuan-hung was President. It was then proposed to pledge the additional wine and tobacco tax as security. All details had been arranged, but the dissolution of Parliament, the flight of President Li to the French Hospital, and the monarchical movement of Chang Hsun rendered it impossible to continue negotiations, but at the same time the Japanese Legation lodged a strong protest with the Ministry of Foreign Affairs on the ground that the proceeds of the loan were to be used for political or administrative expenses, that such loans could be undertaken only by the Group Bank and that other banks might make to China industrial loans. Eleven months later Japan herself is thrusting upon China a political loan with the wine and tobacco tax as security! Inconsistency is too evident to need further remark. If America and France make strong protests against the wine and tobacco loan, they will merely return to Japan what she richly deserves.

As the 3,000,000 yen loan is a political one, the majority of the Chinese are opposing it. On general principles, it must be admitted,—even by Dr. Sakatani himself, who is seeking an advisorship to the Ministry of Finance—that all political loans are disastrous to borrowers as well as to lenders. The Franco-Russian relations clearly illustrate this point. The French Government has lent so much money to Russia in order to keep her as an ally. In consequence of Russia's moral collapse as a fighting factor, it cannot collect a single cent of its debts. In lending money to China, Japan runs the same risk, but if she intends to get back commercial loans by means of military force, that is another question. But is it worth while?

Even as near as twenty-five years ago, the most farsighted Chinese statesmen never dreamed of such a day when tobacco—tobacco is more important than wine, although the two are always considered together in China—would assume its present importance and become so complicated a question, politically and internationally. A quarter of a century ago, the consumption of tobacco in this country was considered of little consequence; indeed only a few hundred dollars worth of it, smoked by the wealthier Chinese and foreigners, was sold. Later, tobacco was imported from Manila in steadily increasing quantities, but the question of taxation was still not seriously considered. Only an import duty of five per cent was levied on tobacco. A few years ago, however, an understanding was reached that tobacco, after paying the import duty, was to pay a transit due, or half of the import duty, namely, Tls. 2.50 per case of 50,000 cigarettes, and an additional 4 per cent of octroi duty if it is sent to Peking. But to-day the Chinese are smoking over \$60,000,000 worth a year, 85 per cent of which sum is allocated to cigarettes. The prices of cigarettes vary between \$50 and \$700 a box. Every month, the Chinese are consuming from the British-American Tobacco Company alone 1,250,000,000 cigarettes. The business of the East Asia Tobacco Company, the Nanyang Brothers and the American Tobacco Products Company in China is likewise extensive. Twenty years ago, to smoke cigarettes of the *Pirate* brand was considered a luxury, but to-day even ricksha coolies smoke them, using about ten a day at seven cash each. Thus the British-American Tobacco Company sells over 7,000 boxes of cigarettes of the *Pirate* brand every month. Fifteen years ago, one box of them was sold at \$150, but to-day it is worth \$250. The increase in price, however, is not due to the improvement of the quality, but chiefly on account of the popularity of the brand. In spite of all this, China receives an infinitesimal sum of less than a million dollars a year from taxation of foreign tobacco.

Apparently foreign tobacco pays an import duty of five per cent, and a transit due of 2.50 per cent, but in reality the import duty is 2.50 per cent and the transit due is a little over 1 per cent, as it is still being taxed according to the price fixed twenty years ago. This kind of import duty is unfair to China, as the market price of foreign-prepared tobacco has increased several times, while the duty remains the same. The Government has accordingly established the Wine and Tobacco Bureau to look into the question, but unfortunately the Bureau has nothing to do with the imported goods, and its sole function is to increase taxes on tobacco produced in China. The Bureau is thus directly promoting the consumption of foreign tobacco in this country rather than helping those dealing in

native tobacco. A study of the tobacco trade will show that there is an annual increase of twenty per cent. This increase is effected at the expense of merchants handling Chinese tobacco, upon which are levied heavy taxes such as *likin* and the like. This situation should be remedied by judicious methods of taxation, and not by giving away China's tobacco monopoly to Japan in consideration of a loan of doubtful value.

It has been disputed whether tobacco is Chinese or foreign, but the philological argument and historical notes, according to S. Wells Williams, author of "The Middle Kingdom," prove that this plant was introduced within half a century after the discovery of America, or about the year 1530. However, long before 1530 the Chinese smoked tobacco, and sent it in large quantity to India for use among the natives. Numerous are the classic references to tobacco leaves being dried and cut into shreds for smoking, not chewed or made into cigarettes as Westerners do. Be this as it may, tobacco production in this country has assumed such an importance that it can no longer be ignored. In fact, many people in Shensi, Kwangtung, Fukien, Szechwan, Hupeh, Shantung and Chekiang are depending upon it for livelihood. Accordingly, when Liang Chi-chiao, a well-known scholar, was Minister of Finance last year, he instructed the Chief of the Wine and Tobacco Bureau to prepare a plan whereby more revenue could be secured from taxation of tobacco, and Chinese producers and foreign importers could be equally protected. A memorandum was consequently drawn up to meet the situation.

It was advocated in the memorandum that China should be divided into tobacco areas, within which tobacco can be cultivated. Farmers sell their product to the government agencies, and the latter, in turn, sell it to Chinese or foreign manufacturers for such a high price as to cover both tobacco and tax, so that the tobacco can be moved around in the country without having to pay another cent of additional taxes. When tobacco is made into cigarettes or cigars, they will, however, have to pay a consumption tax in the form of stamps pasted on the case. This consumption tax will also have to be paid by imported tobacco, the transit dues for which will be dispensed with. In other words, after the payment of an import duty and a consumption tax, foreign tobacco can be sent to any part of the country, unmolested. The cost price of tobacco prepared in China shall be mutually agreed upon by the government and manufacturers, whilst the market price shall be fixed by the government only. The object of this plan is to give regulated profits to manufacturers and secure for the government an independent revenue. Details will have to be worked out. Foreign

firms trading in tobacco which are willing to conduct business under such a condition shall apply to the Ministry of Finance for licenses. With the object of efficient supervision and impartial administration a certain number of foreigners will be employed in the administrative staff. Such a scheme was proposed by the Wine and Tobacco Bureau when Liang Chi-chiao was Minister of Finance. It would also cover the trading in liquor.

This scheme is now evidently relegated to the background, as Japanese interests have been claiming the first and foremost attention of those Chinese officials who are sympathetically disposed towards them. Moreover, Japan is availing herself of the disquieting situation in a distressing and almost bankrupt China to wring concessions and more concessions. Hence the present negotiations for the thirty million yen wine and tobacco loan. Unless there be sufficient opposition from the French and the American Governments, and enough agitation be stirred up by the people, this ripe plum of the growing tobacco trade will fall into the lap of Dai Nippon. No form which human folly takes is so exquisitely laughable as the spectacle of the officials, who excuse themselves for giving away China's potential resources by merely saying: "Everybody is doing it."

Peking, June 1, 1918.

Indian Public Opinion on Present-Day Japan

BY H. P. SHASTRI

BEFORE the Chino-Japanese war Japan was known to students of geography in India as a cluster of islands professing the Indian religion. Nobody cared to know more about Japan. But when Japan declared war on China and the news of her land and naval victories reached the people of India they began to take an interest in Japan, looking upon her as a powerful little country which had demonstrated to the world that China was not a sleeping lion, but a badger. The vernacular papers published details of Japan's victory and the Hindu periodicals extolled her considerably. Hindu conservatism received a powerful blow when the people knew that Japan's secret of success was her assimilation of Western civilisation and cultivation of Western science.

In 1902 Swami Ram Tutha, M. A., a first-rate Indian genius, saint and accomplished scholar, visited Japan as a Hindu monk and passed a few months there visiting the universities, holding talks with statesmen and scholars and delivering lectures. He returned to India after visiting America and wrote to the press many articles on Japan, speaking of her patriotism, eagerness for knowledge,

politeness and spiritual nature in highly flattering terms. At the same time many Indian students returned from Japan after completing their studies and they unanimously praised her for the kind treatment received by them. They also wrote in the vernacular journals about the civilisation of Japan in glowing terms, and in this way the people came to regard Japan as a nation specially well disposed towards India, perhaps owing to her religious connections with the birthplace of the Buddha.

Soon after the Russo-Japanese war broke out. The Hindus prayed in their temples for the success of Japanese arms and a thrill of enthusiasm ran from the Himalayas to Colombo.

News of the Japanese victory and Russian defeat came dramatically and both the Indian as well as Anglo-Indian press gave prominence to them with all the rhetoric they could command. Meetings were held in many big towns of India and subscriptions for the Japanese Red Cross collected in Bombay and Poona. The news of the Russian defeat at Mukden and then the destruction of the Baltic fleet at Tsushima drew out the warmest admiration for Japan. The people for the first time in the history of the world saw a great European nation suffering a crushing defeat at the hands of a little Asiatic nation, and the moral effect of this incident on the whole of Asia was tremendous. The Turk formed the Society of Union and Progress, the Persian aspired to a parliamentary government, and the loyal Indian gave more of his attention to technical education, the emancipation of women, social reform and a wider hand in the administration of the country; all drawing inspiration, directly or indirectly, from Japan's epoch-marking victory over Russia. Now Turkey, Persia, Afghanistan and India were free from the menace of Russia for the time being, and the prestige of England increased in the eyes of India and others because the thinking people knew that but for the assistance of Great Britain, Japan's dream of victory over Russia would never have been realised, showing the conviction of the late Count Hayashi, who writes in his secret memoirs: "The glorious victories of our army and navy in the Russo-Japanese war and the great fight in the Straits of Tsushima were in themselves almost unprecedented in the history of warfare, but they could never have taken place without the Anglo-Japanese Alliance."

But the public opinion of India, which had been running in a channel so favorable to Japan, took a distinctive turn after 1910. The news of the annexation of Korea was received by the peaceful Hindu not with cheerfulness but with great suspicion. Indian travelers returning from the Far East gave evidence to the truth that Japan was not straight in her dealings with China and that the growing

strength and prosperity of the Empire had made the "children of the soil" proud. Indian merchants returning from Yokohama and Kobe after residing from two to five years in Japan did not second the verdict of those who had been to Japan before 1910.

The Japanese who came to Bombay and Calcutta as travelers, merchants or employees of Indian capitalists were rude in behaviour to the Indian laborer, and some of the visitors to India on their return to Japan spoke of the land of the Buddha in highly unbecoming terms. Want of business morality in Japanese merchants was another important factor which degraded them in the eyes of Indian business men.

In 1916 Sir Rabindranath Tagore, one of the noblest sons of India, visited Japan and the people gave him a cordial reception. Young and old came from far and near to see the Indian poet and the vernacular press wrote a lot about the distinguished visitor. His utterances were taken up and published broadcast throughout the whole of the Island Empire. This fact created an impression favorable to Japan in India, and people were gratified to learn that Japan was doing honor to a great Indian which he fully deserved.

When Sir Tagore left for America he was given a hearty send-off. But Tagore did not prove a flatterer, and while in America he made some remarks about Japan which the Japanese, who are so open to flattery, did not like and all at once the journals of Tokio turned hostile to Tagore because he had dared to speak what he truly thought about Japan. When Sir Tagore returned to Japan in 1917, *en route* to India, no notice was taken of his presence and no reception of any kind was given to him.

Many Indians returning from Japan spoke of their bitter experience of the Japanese spies, who shadowed them day and night as if they were notorious criminals. In no country in the world do they interfere with a man's liberty as long as he is law-abiding, but in Japan a traveler is always subject to stringent espionage, the minutest details of his life being watched. In many cases the low-class spy blackmails a traveler in respect of certain acts into which the spy himself entices the unsuspecting tourist.

Soon after the outbreak of the great war (1914) a band of Indian revolutionists—young men all, excepting one or two, without education and character—came to Japan with German money and began to hatch their plots. The story of their connection with Germany, grafting and incompetence characterising the movement, has been revealed in the Hun-Hindu plot trial in San Francisco. Most of those convicted there had lived and enjoyed favor with a certain section of the Japanese. It is said that some Japanese, knowing that these men

were living on German money, welcomed them as great patriots. Who can say whether these men had not entered into some secret agreement with Japanese politicians like the one executed by Dr. Sun Yat-sen and the politicians and merchants of Japan (*vide* "The Fight for the Republic in China," by B. L. Putnam Weale, pp. 140-144).

If the Japanese are sincere in their pretences of friendship to India why do they not educate Indians in art and industry, economics and science by opening factories and schools in India, instead of helping revolution in that country. They must remember that Indian psychology can not appreciate destructive measures.

The following quotation from a memorial by Sir Ibrahim Rabinmullah, one of the most prominent congressmen of India, to the local government will speak for itself. Sir Rabinmullah has long been intimately connected with the commercial and political life of "*urbs prima* in India," as Bombay proudly calls itself, and only quite recently his name was confidently mentioned as the next Indian member of the government of Bombay :

"In considering the question of the defence of India, the position of Japan can not be ignored. From small beginnings she is now occupying, at least in the Far East, a commanding position both on land and sea. India, which at one time had merely to consider the question of invasion from the frontier, has now to take into account the presence of Japan in the east. It is perfectly true that this country is in close alliance with Great Britain but I think it would be unwise to place entire dependence on that fact."

Only a short time ago Sir Tata, the famous multimillionaire of Bombay, complained to Marquis Okuma, personally, that many Japanese treated Indians with an air of superiority.

A true friend is always frank and ready to speak the truth. But truth is not so dear to Young Japan. They like to be flattered, forgetting that a flattering friend is a foe at heart. Show an "anti-white" tendency and you will be welcomed at once. Point out their defects to them and you lose their friendship. They do not know that the intrinsic greatness of a nation is not measured by its powerful weapons of destruction or amount of wealth possessed by it. A nation is respected and loved in proportion to the efforts made by it to promote human civilisation and happiness.

The late Emperor Meji commanded the world-wide respect which his magnanimity, humility, liberality and farsightedness had earned for him. India was plunged into grief when his death was announced by the papers. But the mistakes of Young Japan are destroying that spirit of popularity, and it is no

wonder that the late Count-General Hogi expressed such pessimism when he thrust the dagger into his heart.

Everybody loves true Japan. Perhaps my love for Japan is not less than that of any Japanese and I wish to see the real Japan come to the front diffusing happiness, like the rays of the Rising Sun, all over Asia. At present militarism reigns in Japan and the Nippon of rectitude, friendliness and philanthropy is under an eclipse. Those of the sons of Japan who have created suspicion by their "duplicate-policy" must open their eyes to the facts mentioned here. I am quite convinced that the world will welcome with greetings when the real Japan of everlasting glory comes out and the misunderstandings of to-day will be burned in oblivion.

Morn by morn the rising sun
 Serene and pure his course doth run ;
 Oh, happy heart that yearns to be
 Thus sun-like in its quality.
 Emperor Meiji.

China Needs Publicity

BY C. Y. CHIU

THE value of publicity has been fully recognised only recently, even in Western countries; but the actual practice has undergone remarkable development within the last score of years. Nearly all lines of public enterprises, as well as private individuals, have resorted to it as a means of attaining their respective objects. The principle use, however, was made by business men and politicians. Vast sums of money were devoted to this purpose from year to year. A successfully managed publicity campaign often proves to be the deciding factor towards victory or defeat. In matters of international concern the various nations rely more or less upon publicity in creating or correcting public opinion among the people of their neighbors. It is a well-known fact that each of the belligerent countries of the present European war set aside large amounts of special funds to carry out systematic publicity campaigns as an important element in deciding the ultimate result. Our next-door-neighbor has for the last few years secretly courted the favor of other nations by the same method. The annual expenditure runs into millions of dollars. All this is done on the fundamental principle that "the good will of one's neighbors is essential for the success and prosperity of any nation." To cultivate the good will of our contemporaries in times of peace is to avert difficulties in times of trouble. China has so far neglected this element of importance in her international relations. The government has practically done

nothing, either publicly or privately, to influence public opinion or to improve the good will of other nationalities. If we look a little into the future we should all realise that it is now high time to try to fortify ourselves in the minds of the rest of the world.

The United States of America is peculiarly qualified to render financial and moral assistance to China in the near future. It is infinitely advantageous to us to fortify ourselves in the estimation of Americans. Public opinion in a land so far away might be easily misled by false representation, either intentionally or otherwise. In time of crisis, the effect is most disastrous. I have often met with foreign travelers who came to China with ostensible prejudices and returned with this opinion greatly modified, wondering why China was so darkly pictured abroad. The reason is not far to seek. We do not have a fair representation and we have so far failed to make ourselves known to the world.

In order to start a systematic effort towards this end, I would like to suggest that a central committee be appointed to take special charge of the work. We should try to make good connection with influential journalists of all countries and turn in frequent contributions which appeal to the particular peoples. We should support well-trained lecturers to speak before public gatherings in foreign lands. Chinese students studying abroad should be encouraged to speak and to write on behalf of their country whenever there is occasion for it. In each important nation a well-trained man should be permanently stationed so as to direct and carry out a systematic campaign for a number of years. It is only in this way that we can succeed in making a fair representation through our own efforts, instead of relying entirely upon the resident correspondents of foreign newspapers and reports of casual travelers. The work, of course, is to be managed in a confidential way in order to secure the best result. For the sake of convenience, we shall call this whole organisation including the central committee and all its agents, the "International Intelligence Bureau."

Alongside with this International Intelligence Bureau, there should be organised a "Welcome Association," whose sole function is to arrange for the entertainment of prominent travelers from abroad, to serve as their guide and to keep them informed of all things about China and her people. Men of wealth and influence of all countries (especially of the United States) are spending a good part of their time in traveling nowadays. They visit China chiefly as a land of curiosity. But no matter whether they come to see sights or to gain knowledge, they all expect to have a good time. It is up

to us to show them the best there is in this country and to provide them with every facility for traveling and sight-seeing while they are here. A good impression made upon their minds will not only last for a long time but will also convert them into advertising agents for our whole country. On the other hand, in case they are left to themselves they are liable to be misled by superficial guides who are prone to show them the most antiquated and ridiculous objects which naturally appeals to the sense of curiosity of all visitors. An impression thus created is detrimental to the good name of our country and is a source of future misunderstanding. It should be the aim of the Welcome Association to lead the visitors to see the better side of Chinese civilisation and to adequately explain the other things which exist in China in spite of our efforts to eradicate them.

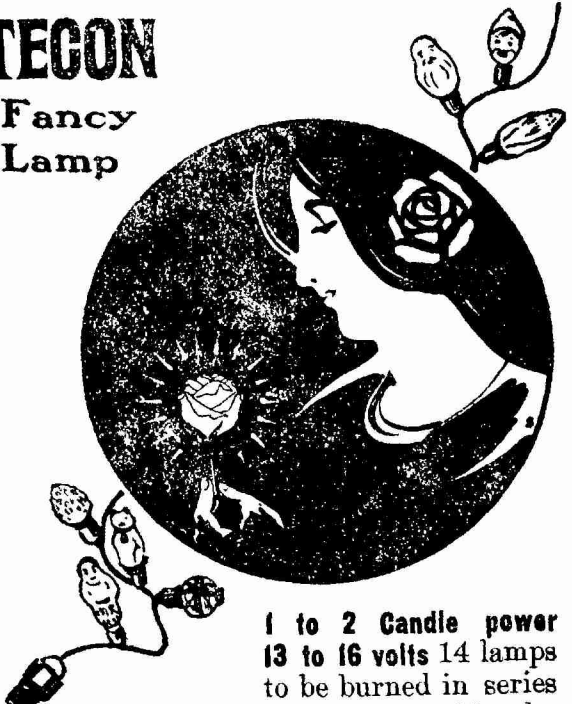
There is at present quite a large number of Chinese students returned from foreign countries residing in various parts of China. Their knowledge of the foreign languages and their familiarity with foreign customs and thoughts qualify them to perform such functions as outlined above in a satisfactory manner. They are also quite well-organised among themselves. The Returned Students Club of Peking is a recognised organisation and is capable of making organised efforts if the duties of the Welcome Association are entrusted to it. A slight subsidy to help defraying the expenses is all that is required. It is a great advantage to the government to make use of the spare time of the students in some such fashion, while the students will appreciate the chances of meeting with prominent guests of all countries and to enjoy a few social evenings thus provided. If these organisations should work hand in hand, the best result is sure to follow.

Peking, May 28, 1918.

Count Terauchi's "Indiscreet" Interview

MR. GREGORY MASON, who recently returned to America after having filled the post of editor of *The Japan Advertiser* (Tokio), has caused quite a sensation in Japan by the publication in *The Outlook* (New York) of an interview with Premier Count Terauchi. The interview appears in its original form somewhat in the shape of a cross-examination, and is far too long for reproduction here, but it may be stated that the *piece de resistance* of the interview is where Count Terauchi is quoted, in reply to a question as to the possibility of Japan forming an alliance with Germany after the war (provided the

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conclusion of it favored such a possibility), as having said:

"That will depend entirely on how the present war may end. It is impossible to predict the changes which the conclusion of this war may bring. If the exigencies of the international relationships demand it, Japan being unable to maintain a position of total isolation, may be induced to seek an ally in Germany; but, as far as I can judge from the existing condition of affairs, I see no such danger. In other words, I believe that Japan's relations with the Entente Allies will continue unaltered after the present war."

The Japanese press generally takes the view that the Premier, in case he wished to express himself as he did, should have made use of the newspapers of his native land and not aired his views through an American newspaper. They also regard it as a grave indiscretion on the part of the Premier to discuss Japan's foreign policy with a foreign interviewer.

The *Osaka Asahi* regards the much-criticised statement appearing in the *New York Outlook* as specially unfortunate in being brought before the public at a time when Prince Arthur of Connaught is about to visit Japan. The Anglo-Japanese Alliance, says the *Osaka* journal, is the pivot of Japan's diplomacy, and must continue to be. It was due to the existence of this compact (at least, the *Asahi* thinks so) that Japan declared war upon Germany, and it may be taken for granted that the impending visit of Prince Arthur of Connaught is for the purpose of cementing Anglo-

Japanese relations. The Japanese people, high and low, are delighted at the prospect of welcoming a Prince from their Ally. On an occasion like this, therefore, it is highly objectionable that any reference—even hypothetical—to an Alliance between Japan and Germany should be made by a Japanese.

The *Kokumin* declares that, like Caesar's wife, the Premier of Japan must be above suspicion, and sincerely regrets that the interview published in the *Outlook* has aroused suspicion in the minds of the Allied peoples as to the attitude of Japan towards the Allied cause.

Commenting on the statement attributed to Count Terauchi regarding the possibility of an Alliance between Japan and Germany, the *Jiji Shimpō* hopes this is a misrepresentation of the Premier's views made by Mr. Gregory Mason, the interviewer. Yet even conceding that the statement was really made by the Premier, it is doubtful whether he actually believed in the possibility of such an Alliance; rather it may have been simply a rhetorical attempt to emphasise his conviction that the present friendly relations between Japan and the other Allies will continue long after the war. It is scarcely credible that the Premier, of all persons, gave expression to such a sentiment in real earnest at a time when every Japanese is desirous of maintaining the present friendly relations between the Allies and themselves for many years after the war. Count Terauchi can be hardly excused of imprudence for making such a statement at such a time, even if it was made in a semi-facetious manner, as such an assertion is likely to create serious misunderstanding among the people who read it. In fact, it is clear from the comment Mr. Gregory Mason himself makes upon the statement, that the Premier's utterance was not taken by the interviewer as meaningless rhetoric. It is, indeed, regrettable that the Premier's statement has been the means of creating much misgiving among the Allied peoples regarding Japan's attitude. In the course of a speech at the recent Gubernatorial Conference, the Premier referred to the circulation of wild rumors tending to create dissension between Japan and the Allies, enjoining on his hearers special care in this respect. An instance of greater inconsistency is almost inconceivable than that the Premier, who showed himself so nervous about the circulation of canards likely to affect diplomatic relations, should commit such a serious indiscretion as to speak of the possibility of an Alliance between Japan and Germany.

Red Cross Drive Nets About Mex. \$300,000 in China

Although no final reports are available from Canton and various other parts of China as to the amounts of money collected in the Red Cross Drive in China from May 20 to May 26, it is estimated that Mex. \$300,000, or about \$220,000 in U. S. currency, was raised. Shanghai alone raised about Mex. \$110,000 and the amounts turned in from the foreign and Chinese communities were about equal. Hankow raised Mex. \$40,000 and at present accounts stands next to Shanghai. The most interesting feature of the drive in Shanghai was the competition among

ten teams of Chinese solicitors, who become so enthusiastic over the campaign that they voluntarily extended their efforts over another week after the close of the campaign. Y. C. Tong, director of the Shanghai Commercial and Savings Bank, with his team came out first and won the prize, a silver shield. According to present estimates, about twenty-five per cent of the total amounts raised in the drive will be used in local Red Cross relief work as is now being conducted by the various chapters of the organization in China. A complete report of the drive and of the activity of the Chinese, and other foreigners in the drive other than Americans, has been sent to the Red Cross headquarters in Washington and also to President Wilson and Secretary Lansing.

A Chinese View of the German System

BY TSIANG YUN CHANG

EVERY Nation is built upon some principle, upon some national ideal, some national spirit. This spirit, if it is based upon righteousness and justice, serves as a sure foundation of a Nation; but if not, though it can serve to support a nation for a certain length of time, as has been proven by all history, such a spirit can never serve as a true and permanent basis of government.

Since the war began, Germany has proven herself a very strong power—so strong that she has faced the whole world boldly without very much failure. It is evident that there is a definite spirit behind the nation, giving her this power. It is apt for us to think that her spirit must be a right one in that it is able to produce such a strength in the nation. But before drawing too hasty a conclusion, it is well for us to examine such power and, therefore, the spirit that produced it. The best way to make such an examination is to study the expressions of this nation's greatest statesmen, as such in any Nation are sure to voice its true ideals. I wish therefore to quote from some of Germany's greatest men, past and present. I have chosen the following representative group:—Frederick the Great, Bismarck, Lichnowsky and the Kaiser as Germany's most able spokesmen. Frederick the Great, when in the height of his power, said:

"If there is anything to be gained by it we will be honest, if deception is necessary, let us be cheats."

"One takes when one can; one is wrong only when one is obliged to give back."

"No ministers at home but clerks, no ministers abroad but spies. Form aliens only to sow animosities. Kindle and prolong war between my neighbors. Always promise help and never give it. There is only one person in the kingdom, that is myself. If possible, the Powers of Europe should be made envious against one another in order to give occasion for a coup when the opportunity arises."

"If a ruler is obliged to sacrifice his own person for the welfare of his own subjects, he is all the more obliged to sacrifice treaty engagements the continuance of which would be harmful to his country."

"Do not be ashamed to make alliances in which you yourself can derive the whole advantage. Do not make the foolish mistake of not breaking them when you believe your interests require it."

"When he is about to conclude a treaty with some foreign power, if a Sovereign remembers he is a Christian, he is lost."

These expressions, quoted directly from Frederick, show how vicious, mean, full of ambition and

fraud his doctrine was. Following his doctrine, one would do, I believe, most anything to interest one's self, without paying any heed to any kind of morals, not to mention Christian principles. And it is coupled with the military doctrine urged by Bismarck, the very thing that is being forced upon the world to-day by Germany in this world war.

Bismarck, in his "A Plea for Imperial Armament," said:

"The long and the short of it is in these days we must be as strong as we can; if we will we can be stronger than any other country of equal resources in the world. And it would be a crime not to use our resources.

"We must respond to this dispensation of Providence, however, by making ourselves so strong, that the pike can do nothing more than encourage ourselves. I think too, that this powerful reinforcement of the army will have a quieting effect upon our own people, and will in some measure relieve the nervousness of our exchange, of our press and of our public opinion.

"But if it should occur we could hold the defensive on our borders with a million good soldiers, at the same time we could hold in reserve a half million or more, and send them forth as they were needed. Some one has said to me, the only result of this will be that the others will increase their forces also. But they can not. Courage is equal in all civilized nations. The Russians or the French acquit themselves as bravely as the Germans. But our people, our seven hundred thousand men, are veterans training in service, tried soldiers who have not yet forgotten their training. And no people in the world can touch us in this, that we have the material for officers and under-officers to command our army. That is what they can not imitate. The whole tendency of popular education leads to that in Germany as it does in no other country. The measure of education necessary to fit an officer to meet the demands which the soldier makes on him, exists with us to a much greater extent than with any other people. We have more material for officers than any other country. And we have a corps of officers that no other country can approach. In this lies our superiority. The course of education which fits an officer to meet the strong demands made on his position for self-denial, for the duty of comradeship or for fulfilling the extraordinarily difficult social duties whose fulfillment is made necessary among us by the comradeship which, thank God, exists in the highest degree among officers and men without the least detriment to discipline—they can not imitate us in that—that relationship between officers and men which, with a few unfortunate exceptions, exists in the German army.

"The measure of education which is demanded for that, and the qualities which, among us especially, are expressed in comradeship and sympathy by the officer—that no rule and no regulation in the world can impress on the officers of other countries. In that we are superior to all, and in that they can not imitate us. On that point I have no fear.

"If we, in Germany, should wish to wage war with the full exertion of our national thought, it must be a war with which all who engage in it, all who offer themselves as sacrifice in it—in that the whole nation takes part as one man.

"All our own critics are convinced of our superiority. Naturally every soldier believes it. He would come very near to being a failure as a soldier if he did not wish for war and feel full assurance of victory."

Based on these sayings, the Germans have built their nation upon the military autocracy which is considered the most terrible evil in the world, and have established the army which made a French military attache say: "Other countries possess an army, but in Prussia the army possesses the country." This shows the autocratic power of the army in Germany.

This army is practically superintended by the nobles only, who have the control of the requirements, and the young officers can become officers only by their consent. The reason why Germans are so obedient and so easy to govern is due to their educational system.

When a German is only four years old, he is disciplined and taught that his government is the only good and effective form. The school teachers are all paid by government and teach the children only the principles desired by the rulers. Boys never have games without the superintendence of teachers, who always inculcate in them reverence and awe for the military heroes of the past and present. On Saturday nights boys are made to hear the state-paid pastor, who adds some divine authority to the principles which make these young fellows obey their government and do whatever the government wills.

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As a result of this militarism with the virtue of Frederick's philosophy Germany is now waging the greatest war with the whole world. There is no right or just cause whatever for Germans to fight, their whole intention is only to force their military autocracy on the world and bring the whole world under the sway of a divine ruler—the Kaiser. This is proved by Lichnowsky, the late German ambassador to England, who, knowing and regretting what he and his government have done, revealed in his memorandum the truth about the world war and spirit behind Germany. The following passages are selected from his memorandum as the most important points:

"Of course it would only have needed a hint from Berlin to make the Austro-Hungarian Chancellor satisfy himself with a diplomatic success and accept the Serbian reply. But this hint was not given. On the contrary we pressed for war. What a fine success it would be!

"Thus ended my London Mission, wrecked, not by the perfidy of the British, but by the perfidy of our policy.

"We needed neither alliances nor wars, but merely treaties which would protect us and others, would guarantee us economic development for which there had been no precedent in history.

"I had to support in London a policy which I knew to be fallacious. I was punished for having done so for it was a sin against the Holy Ghost.

"Thus we deliberately destroyed the possibility of a peaceful settlement.

"In view of these indisputable facts, it is not surprising that the whole civilized world outside Germany attributes to us the sole guilt for the world war.

"Is it not intelligible that our enemies should declare that they will not rest until the system is destroyed which constitutes a permanent threatening of our neighbors?

"Must they not otherwise fear that in a few years they will have again to take up arms, have again to see their provinces overrun, and their towns and villages destroyed?

"Were these people not right who declared that it was the Spirit of Treitschke and Bernhardt which dominated the German people: a Spirit which glorifies war as an aim in itself and does not abhor it as evil?

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"Were they not right who said that love of duelling which inspires our youth at the Universities, lives on in those who guide the fortunes of the people?"

"Had not events at Zabern and three others (10) shown foreign countries how civil rights and civil freedom are valued among us when questions of military power are on the other side?"

"Militarism is the real school of the German nation and the instrument of its policy. The patriarchal absolutism of a military nation renders possible an attitude which would not be permitted by a democracy which has disengaged itself from military Junker influences."

"That is what our enemies think. That is what they are bound to think when they see that despite capitalistic industrialisation and in spite of socialistic organisation, the living, as Nietzsche says, are still governed by the dead."

"The principal war aim of our enemies—democratisation of Germany—will be achieved."

These words express just the very spirit which the Germans have. This spirit supplies the ambition to conquer the world. This spirit wishes to get a peace by crushing all the nations in the world under German militarism. Such peace has been longed for by Germans for years since Bismarck. Recently the Kaiser re-expressed in historical terms Germany's way to peace in the following:

"We ought to bring peace to the world, we shall seek in every way to do it. Such an end was achieved yesterday in a friendly manner with an enemy which, beaten by our armies, perceives no reason for fighting any longer, extends a hand to us, and receives our hand. We clasp hands. But he who will not accept peace, but on the contrary declines, pouring out the blood of his own and of our people, must be forced to have peace. We desire to

live in friendship with neighboring people, but the victory of German arms must first be recognized. Our troops under the great Hindenburg will continue to win it. Then peace will come."

From all these views, I am now only able to come to the conclusion that the spirit upon which Germany is built is nothing but military autocracy, which is surely not based on righteousness or justice but upon her own interests. And although it seems now that Germany is the strongest Power, her ideals of God are sure to be crushed by the democratic powers. Solomon said in Proverbs: "For the throne is established by righteousness." Again he said: "The king that faithfully judgeth the poor, his throne shall be established forever." Therefore we can be sure that the German Spirit or the military autocracy will soon be destroyed and that righteous governments of the people, by the people and for the people will rule forever. God will help us in building our Nations upon a spirit which is based on righteousness and justice—true democracy.

Nanchang Academy,

Nanchang, China, May 25, 1918.

Notes from Peking

An American memorial service was held by the Marine Detachment Legation Guard at the foreign cemetery outside the West Gate on May 30. On the occasion the soldiers' graves were decorated. The Rev. G. M. Poteat, of the Peking Language School, gave an address. Major Cutrer and Mr. Price of the American Legation, were present at the service. A similar service was held at the American School in Tungchow on the same day, where Dr. Tenney, Chinese Secretary of the American Legation, made an address.

P. R. Josselyn, newly-appointed Consul for Chungching, Szechuen, left Peking on his way to his post on Thursday last.

Charles Coltman and O. Mamen of the Mongolian Trading Company, with their families, from Kalgan, are visiting Peking in connection with their business. They spent a few days in Tientsin in the first part of last week. They are returning to Kalgan this evening.

Hsu Sing-loh, secretary of the Ministry of Finance, who has been ill for four days, has now recovered.

Admiral Tsai Ting-kai, chairman of the Customs Revision Commission and Assistant Director of the Customs Administration, departed for Shanghai on Thursday morning. While passing through Tientsin, he was met by Mr. Maze, Commissioner of the Customs, and other friends.

A fete will be held on June 13, 14 and 15 at Pei Hai on the North Lake in Peking under the patronage



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Peking



of H. E. Hsiung Hsi-ling, former Prime Minister and now Director-General of Flood Relief and Conservancy, and also President of the Commission for the Improvement of the River System of Chihli, for securing funds to relieve sufferers in Honan, his native province, due to the civil war. Admission tickets will be sold at the entrance to Pei Hai. In connection with the relief of sufferers in Honan, Mr. Hsiung himself has already contributed over \$10,000 personally.

* *

Liang Shih-yi, Chow Tsz-chi and Chu Chi-chien, who spent several days in Peking last week, returned to Tientsin on Thursday evening.

* *

F. C. Hitchcock, vice-president of the Siems-Carey Railway & Canal Company, will give a dinner on Monday evening to Hsiung Hsi-ling, Director-General of Flood Relief and Conservancy, Liang Shih-yi, former Director-General of the Customs Administration, Chow Tsz-chi, former Minister of Finance, Tsao Ju-ling, Minister of Communications, and Pan Fu, a river Conservancy expert, who may be appointed to take charge of the reclamation work for the South Grand Canal.

* *

In view of the probability that many workers of the American Red Cross Knitting Committee will leave Peking during June for various summer resorts, it has been decided to close the workroom from June 15. A report will then be issued covering the period between May 1 and that date, instead of the usual monthly report.

* *

Mr. Bouillard, Advisor to the Peking-Hankow Railway, is departing for France on Wednesday, June 3.

* *

Captain Pelliot, Assistant Military Attache to the French Legation, is going to Manchuria June 5.

* *

Mr. Veroudart, former president of the French Consular Tribunal in Shanghai, who has been in Peking for the past week, intends to return on Monday, June 3.

* *

Baron Sakatani, who is a son-in-law of Baron Shibusawa, and former Minister of Finance of Japan, called upon the French Minister on Friday morning.

* *

The Sino-French Club held a meeting Monday, May 27, for the election of an executive committee. Mr. Padoux, Financial Advisor to the Chinese Government, was elected President; Mr. Marchang, engineer of the Peking-Hankow Railway, Vice-President; Mr. Peretti, of the same line, Secretary; Mr. Mejrret of the Bank Industrielle de Chine, Treasurer; Mr. Verheyeh, Librarian; Mr. Farine of the Belgian Legation, Chairman of the Game Committee; and Mr. Guernier and Mr. Dethien were elected members. After the election of the committee for the Club, the French

Minister, Mr. Boppe, attended the meeting. Mr. Veroudart, retiring President of the Club, made a speech welcoming the French Minister, which was responded to by Mr. Boppe.

* *

Mr. and Mrs. John T. Spencer, who have been visiting their son, Willing Spencer, in the American Legation, are returning to the United States from Peking in the first week of June, planning to make the overland trip and to visit for two weeks in Japan before sailing for America.

* *

The American Minister and Mrs. Paul S. Reinsch left Peking yesterday afternoon for a three-days trip in the Western Hills.

* *

Willing Spencer and J. D. C. Rodgers of the American Legation, spent Decoration Day in Tientsin.

* *

The Garden Fair in aid of Queen Mary's Needlework program will be held in Mrs. H. B. Donaldson's Garden June 5.

* *

Laurence H. Rich, who recently came to China from America, arrived in Peking last night to make a photographic survey of the work of the Methodist Board Foreign Missions in this country. All the photographs he takes in China will be used to assist in the raising of G. \$80,000,000 this year in America, half of which sum will be allocated to foreign missions. The remainder will be used in the States for the expansion of Christian activities throughout the west, where churches are not sufficient at the present, and among foreign populations. Mr. Rich arrived in Shanghai on April 23. Since then he has visited many places in Fukien. He now expects to spend a good portion of his time in Peking and vicinity. Afterwards he will go to Western China and visit Yunnan and Szechuen provinces. He will stay in China for nine months before his return to the States. Mr. Rich has brought with him 7,000 negatives, all of which will be used up before the completion of his trip. He has already taken 1,200 pictures in two months' time. Most of these pictures will appear in the *World's Outlook*, a monthly publication in America, which is being published under the auspices of the Methodist Board Foreign Missions. They will cover all phases of Chinese life, not so much the life in the treaty ports where enough photographs have been taken, as the life in country-places where foreign influence has not sufficiently reached. Mr. Rich stated that his mission is now preparing to render service to humanity when the reconstruction period begins after the war. The motto of the Methodist Mission is to make democracy safe for the world. Mr. Rich is also a representative of the *World's Outlook*. The campaign to raise G. \$80,000,000 is now under way. \$1,000,000 has already been secured.

* *

Dr. and Mrs. D. V. Smith have gone to Peitaiho for a month's vacation. Dr. Smith is connected with the Methodist Hospital.

Liang Chi-chiao, former Minister of Finance, after having attended the wedding of his nephew in Peking, returned to Tientsin on Thursday afternoon. He will resume the task of writing a general history of China.

Peking, June 1, 1918.

Who's Who in Peking



Chu Shao-hsin, Consul-General to San Francisco.

Chu Shao-hsin, prior to his appointment as Consul-General to San Francisco, was English Secretary to the President, General Feng Kuo-chang. His acquaintance with the President was made when he was Commissioner of Foreign Affairs for Kiangsu with headquarters at Shanghai. At that time General Feng was Vice-President of the Republic, his office being in Nanking.

Born in Canton, Mr. Chu is thirty-eight years of age, and is a Chinese scholar. He received the rudiments of education in a country school in his home district. From 1894 to 1903 he studied at the Kwang Ya College, Canton, where he distinguished himself in scholarship. From 1903 to 1907 he attended the Government University in Peking, where he took a number of courses in law. He received an A. M. degree from the University at the time of his graduation. He went to America soon afterwards to pursue higher education.

Mr. Chu arrived in the States in February, 1908, as a Government support student, chosen by competitive examinations. For three years he studied commerce and finance at New York University. From 1911 to 1912 he took up the study of Political Science and Law at Columbia University. He graduated with the degree of B. C. A. in 1911; and M. A. the following year. In December of 1912 he returned to China, when the first revolution was barely over. First he joined the Government University in Peking as a full professor. Later he was appointed Secretary and Political Councillor to the President of the Republic. At one time he was Mixed Court Magistrate of Kulangsu in Amoy, Fukien, which office he filled with credit to himself. During the senatorial election soon after the establishment of

the Republic, he was elected a Senator. Upon the dissolution of the Senate in 1913 by President Yuan Shih-kai he practised law in the Capital with considerable success, making many friends among the older officials.

Mr. Chu is a member of the Lawyers' Association in Peking. When the Kuomintang people returned to power in 1916, he was appointed Special Commissioner for Foreign Affairs for the province of Kiangsu. When General Feng came to Peking to assume the Presidency, he asked Mr. Chu to join him as his English Secretary.

Mr. Chu has several children, who went with him to the United States. As he speaks fluent Cantonese, it is believed that he will be able successfully to hold this difficult position as Consul-General of San Francisco, where are resident many Chinese, most of whom are from Kwangtung.

Week's News Summary

THE WAR

May 23. An Italian *communiqué* reports the repulse of an Austrian attack against the bridge-head at Caposile.

May 28. The *London Chronicle* correspondent at French headquarters, dealing with the retreat to the Aisne, admits that the enemy effected a surprise.—The French evacuate the town of Soissons and the troops covering Rheims fall back beyond the Aisne Canal to the northwest of the town.

May 30. The Germans are held on the flanks at Soissons and Rheims.—A German *communiqué* claims 35,000 prisoners during the present drive.

May 31. The American troops at Cantigny by the use of artillery and infantry repel several German attacks.—The German drive continues with redoubled violence on the front from Soissons to Chateau Thierry and reaches Verneuil.

June 1. All German attempts to advance west and south of Soissons to the north of Vierzy prove futile; on the Marne the Germans reach the heights west of Chateau Thierry.

June 2. The French, by a brilliant counter-attack, recapture 4 towns and a hill between Soissons and Chateau Thierry.—The German fleet gathers at Heligoland preparatory to what is expected to be a challenge against the combined British and American fleets; in the forthcoming battle American battleships are to be given the post of honor.

June 3. The German advance on the Western front is brought to a definite check.

June 4. The U. S. Secretary of Navy announces that 20,000 tons of small coastwise steamers and schooners have been sunk off the Atlantic coast by German submarines; one of the submarines was caught when it came to the surface for air after two days.—The Germans storm Pernant, the French withdrawing to the Lesoetlier-Dommiers line.

CHINA

May 31. The Chinese Bureau of Foreign Affairs replies to the British Minister, who enquired concerning poppy cultivation, that it is true that small areas in the province of Shensi have been planted with poppy, but that the local authorities will take immediate steps for their destruction.

June 4. The Salt Gabelle at Peking releases G. \$3,600,000 available to the Chinese Government immediately, principally at Shanghai.

June 5. The Peking Stock Exchange opens under auspicious circumstances, large transactions in Chinese bank notes, yen and roubles taking place; the promoters are advocating a similar (Chinese) institution for Shanghai.

GENERAL

May 28. The Bolshevik Government in a note to China complains of "the criminal activity of the brigand band under Colonel Semionov sheltering in Manchuria."

May 29. The Mexican Government notifies American companies in Mexico that it intends to double the amount of bullion they are required to re-import against ore export.

May 30. Announcement is made in Washington that the Adams, American, Southern, and Wells Fargo companies are to be merged in a single company July 1 under Government auspices.—In a Government yard on the Pacific coast a U. S. destroyer is built in 16 days, 12 hours, this being a world's record for a vessel of equal size.—A Government wireless dispatch from Washington states that 200,000 men previously exempted for slight physical defects have been called up for military service, relieving others for the battle front.

May 31. The Order of St. John of Jerusalem in England prepares an appeal to the brother Order in Germany asking that it exert itself to prevent such atrocities as the sinking of hospital ships and the ill-treatment of prisoners and wounded.

June 1. Mr. Hoover, U. S. Food Controller, makes a renewed appeal to save wheat for the Allies till the approaching harvest.

June 3. The Lord-Lieutenant of Ireland offers as an alternative to compulsion that 50,000 Irishmen should be recruited by October.

June 5. The U. S. War Department announces that 44,471 women will replace male workers, and that about 1,000,000 men of the 1918 class (young men who have reached the age of 21 since the first draft) have been registered for military service.—The U. S. Shipping Board announces shipping construction in May as being the greatest for any month in the nation's history, 44 ships being completed and delivered.

America

Ben Pond, a Chinese student at the University of Missouri, was elected president of the Cosmopolitan Club, an organization composed of all of the students from foreign countries in attendance at the University.

Although he has lived in America for thirty years, Walter Spreckels, of the famous sugar refining family, who was born in Germany, never took out naturalization papers, and as a result the American Government has refused to him permission to enter the sugar refinery at Yonkers, N. Y., of which he has been general manager for sixteen years, the same being within the enemy alien barred zone.

Far Eastern Press Opinion

Secrecy in Sino-Japanese Negotiations

From The Japan Chronicle (Kobe)

As time goes on it becomes more inexplicable than ever why such portentous secrecy was observed with regard to the recent Sino-Japanese negotiations. It has been announced that the sole purpose of the negotiations was action against the common enemy. If Britain were negotiating with Holland for this purpose, absolute secrecy would be the very first need, and care would be taken that nobody should have any reason to believe that such negotiations were proceeding at all. But with respect to Japan and China's common action, there is no military reason for secrecy even as regards the fact of there being negotiations. . . . From the Japanese diplomatic point of view a considerable advance has been made since the days of the 1915 Demands. At that time it was considered necessary to communicate to the Powers the terms which were being forced upon China. There was a very important omission in this communication—that of the Fifth Group of the Demands—but this omission was explained away afterwards as being because of the different nature of the demands contained therein, they being regarded by the Japanese Government only as desiderata. Desiderata or not, it was only because of diplomatic pressure that they were abandoned. This contrasts very strongly with the present situation, wherein nothing has been mentioned of the terms being communicated to the other Powers at all. To an onlooker it seems almost incredible that Japan should repeat the *faux pas* of 1915. It is not as though the 1915 negotiations were not admittedly a mistake. Ministers of the present Government cannot find words sufficiently severe in which to condemn that "fatal mistake"—yet they go out of their way to revive every suspicion and increase distrust. The demands presented by Marquis Okuma's Government would not have caused nearly so much trouble if they had been published at the outset. Such matters could certainly be none the worse for public discussion. Such a procedure would have removed the suspicion that Japan was endeavoring to gain an advantage over China while the Powers were busily occupied and behind their backs, and it would have shown that Group V. was untenable without that very awkward incident of explaining it away. In any case, even presuming that Japan got less out of the Demands than she actually did, she would have had the satisfaction of reflecting that there would be no ultimate profit in the enforcing of demands which transgressed the general sense of justice.

"The Notorious Chino-Japanese Joint Military Agreement"

From the Chung Hua Hsin Pao (Shanghai)

The notorious Chino-Japanese joint military agreement will soon be put into effect. This statement may appear to be premature, especially in the declaration of the Central Government that if there should be no fighting at our northeast border, the agreement has no more value to Japan than a "scrap of paper." The Government intends to convey by this statement that at present Germany has no strength to spare for

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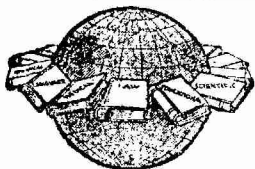
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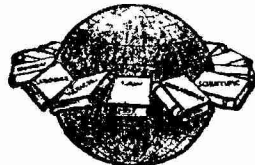
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Peking Union Medical College

Premedical School

Announcements for the Academic Year 1918-19.

CURRICULUM: The Premedical School offers a three year course in the fundamental subjects which are pre-requisite to the study of medicine. The curriculum includes courses in mathematics, physics, chemistry, biology, English, Chinese and German. The work in the second and third years is of the grade required in the first two years of the best American Universities. Students who complete the work of the Premedical School satisfactorily will be admitted to the first year of the Medical School without examination.

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EXAMINATIONS: Examinations for entrance and for advanced standing will be held at Peking, Shanghai and Canton, June 18 to 22, and August 27 to 31, 1918.

CALENDAR: The first semester opens Tuesday, September 17, 1918, and closes January 31, 1919. The second semester opens February 11, 1919, and closes June 20, 1919.

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Applications for admission to the entrance examinations and requests for further information should be addressed to

The Dean of the Premedical School,

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the purpose of creating trouble in this part of the globe and therefore Japan is only deluding herself with enjoyment over the securing of a treaty which will never have a chance to be put into operation on account of the situation in the Far East. The Government is patting its back on this score and it is using the very same argument to comfort the fear and opposition of the people.

Is the Government correct in its views? Does it think the Japanese Government so foolish as to fight so hard for a "scrap of paper?" Will the military agreement be as valuable to Japan as the gift of a piece of stony land which can not be cultivated? Is such a thing conceivable?

We find a complete answer in the Japanese press, which is now demanding immediate action in Siberia. Sensational stories are being printed of German plots in Harbin and the mischievous activities of German prisoners of war: This is to prepare the world for Japanese intervention in Siberia under the pretext of "fighting for Allied interests."

Is it then too far-fetched to, say that we have come to the brink of our ruin?

A Regrettable Sale

From the North China Daily News (Shanghai)

Nothing else was to be expected of the meeting held June 5 of the International Cotton Manufacturing Company than that the proposal to sell to Mr. Kawasaki would be confirmed. It was abundantly shown at the previous meeting that the minority against the sale was indeed a hopeless minority, and as such the latter party would seem to have absented themselves yesterday rather than publicly admit defeat by recording such votes as they could command. They have the sympathy of the British community. No amount of specious argument can alter the regrettable nature of the transaction. The contention that the most patriotic course was to sell and invest the proceeds (not forgetting present rates of exchange) in British War Bonds is pure nonsense. The British Government is not going bankrupt for want of thirteen lakhs of taels, whereas British business influence and prestige are seriously affected by the loss of the mill, of which it has been justly observed that if it is worth the while of Japanese to buy, it was worth the shareholders' while to keep. The incident may have its uses as a warning to others; though one can hardly think that at this time of day such an example of how *not* to study national interests was wanted.

Japanese Language Taught in Australia

U. S. Consul-General J. I. Brittain, reporting from Sydney, says:—Instruction in the Japanese language in the university and high schools of New South Wales is now on the same basis as instruction in German and French. High-school pupils who desire to take a course in Japanese, and later pursue the study at the university with a view to taking a degree, must give four years in a high school and three years at the university to the subject. As many high-school pupils as desire may take Japanese. There is also a large class of about 75, drawn from business circles and other walks in life, which is now studying Japanese at the university, and the language is being taught at the military school. The increased trade between Japan and Australia has caused the average business man to realise the importance of these courses.

Men and Events

E. B. Waite, vice-president and manager of Getz Brothers & Company of Shanghai, departed last week on a six months' trip to India.

It was reported in Shanghai this week that the Pacific Mail Steamer *Venezuela* is delayed in Honolulu on account of several cases of smallpox.

The annual meeting of the North China Branch of the Royal Asiatic Society will be held at the Society's Hall in Museum Road, Shanghai, Thursday afternoon, June 13.

The *Nanking*, the new 15,000-ton steamship of the China Mail Steamship Company, will sail from San Francisco about June 20 and is expected to arrive in Shanghai about July 15.

A. H. Cunningham of the Robert Dollar Company, Shanghai, will depart next week for Hankow, where he will act as manager of the company's business at that point for several months.

E. Thacher, manager of the Harbin office of Andersen, Meyer & Co., arrived in Shanghai yesterday morning. Mr. Thacher, who will return to Harbin in about a week's time, reports said city fairly quiet at the present time.

An eclipse of the sun is scheduled to take place early to-morrow (Sunday) morning in Shanghai. The sun will rise partly eclipsed. Spectators in Japan and North America will have the privilege of viewing a total eclipse.

Reginald W. Wheeler, professor of the Hangchow Christian College, Hangchow, left Shanghai on the *Suwa Maru* on May 30 for America on his summer's vacation. Mr. Wheeler will be in California until September 1, when he will return to China.

Among the interesting items of news brought by the American wireless service during the week is that at San Francisco the first Chinese American (Chan Chung-wing) to be admitted to the Bar in California has passed his examinations and has been authorized to practice.

Carl W. Hayden, of the International Banking Corporation, left Monday, June 3, for a three weeks' vacation in Japan. During the last Liberty Loan drive Mr. Hayden handled the financial part in behalf of the Bank. The total amount subscribed was over G. \$600,000.

G. A. Roper, for the last seven years with the American Trading Company in Japan, has moved to Shanghai, where he will have charge of the company's business for several months during the absence of W. A. Burns in the United States. Mr. Burns plans to depart for America during the latter part of this month.

The announcement of the engagement of Miss Bertha O. Attaway of Soochow to Dr. M. T. Price of Shanghai was made at Soochow on June 1. Miss Attaway is a teacher of the Soochow Laura Haygood School and Dr. M. T. Price is connected with the Educational Department of Edward Evans & Sons, Shanghai.

The Rev. Frank Knight Sanders, Ph.D., former dean of Yale Divinity School and president of Washburn College, now Director of the Board of

Mission Preparation in North America, will address the American Song Service Sunday afternoon, June 9, at the Palace Hotel at 5 o'clock. The Rev. Sanders is an author of many well-known text books for Biblical study. There will be special music.

Prof. J. F. Abbott of Washington University, St. Louis, Mo., who has been in Japan and China for several months on official business for the State Department at Washington, D. C., will soon depart for his home in the United States. Prof. Abbott is a former member of the faculty of the University of Tokio and has a thorough knowledge of the Japanese language. He is now in Tokio.

The Shanghai General Hospital announces an increase of rates for first-class patients from Tls. 6 to Tls. 8 per day, and for second-class from Tls. 3 to Tls. 4, beginning June 15. Another expense for first-class patients will be that they are required to provide the cost of a medical attendant, in addition to the above rate. Second- and third-class patients will continue to receive medical attendance without extra charge.

J. F. Abbott, author of "Japanese Expansion and American Policies," after a tour through Peking and Harbin, is sailing from Yokohama for America to-day. In an interview accorded to journalists in Japan, Mr. Abbott said: "The social level of Russia to-day is that of the thirteenth century. The controlling fraction of the twentieth century has been eliminated by the Bolsheviki or driven into hiding, and with it the skeleton of social organisation. Russia and Siberia to-day are literal anarchies. The Russian has always been ruled from above, and must continue to be for several generations, for the Russian character, despite its many excellencies, lacks absolutely that organising ability characteristic of the Anglo-Saxon, the German, or the Japanese."

The American Athletic Club of Shanghai, which fitted out a number of tennis courts for the use of its members on the grounds of the Race Course, has announced that a "ladder" contest will open the season, the winner of which will receive a silver shield. After the contest members will be divided into several classes and the season tournament will begin. Silver shields will be presented to the winners in each class. The Board of Governors for the club this year is composed of the following: Hon. Thomas Sammons, Judge C. S. Lobingier, Dr. S. A. Ransom, W. S. Fleming and Dr. W. T. Findley. The 1918 tennis committee is composed of the following: G. F. Ashley, Dr. A. M. Massie, G. J. Petrocelli, A. N. Lethin and R. W. Squires.

To have the best Fourth of July celebration ever held by the American community in Shanghai, was the decision of the special committee appointed to consider ways and means at a meeting held at the American Club, Thursday afternoon, June 6. The original decision to hold a dance at the Shanghai Town Hall has now been abandoned, and further plans are still secret. The committee that now has charge of the matter is composed of the following: Carl L. Seitz, chairman; Major C. P. Holcomb, A. Goldsmith, G. J. Petrocelli, J. B. Powell, H. H. Arnold, G. F. Ashley, Dr. S. A. Ransom, J. G. Gallagher, Thos. F. Cobbs, Capt. H. E. Morton, Earl B. Rose, Wm. A. Adams, H. O. Hashagen and Dr. W. T. Findley.

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U. S. Post Office

Shanghai, China.

An official of the Peking-Suiyuan line, in discussing the outbreak of pneumonic plague which made its first appearance in the Suiyuan Special District December 23 last, gives details of the precautions taken in guarding the railway from infection. Medical officers were immediately stationed at the principal stations and in the trains, all intending passengers were required to pass a medical examination before they were allowed to purchase their tickets, the carriages and goods wagons were thoroughly disinfected before being put in service. Notwithstanding the entire suspension of passenger and goods traffic on the Peking-Suiyuan Line for a considerable period, the total earnings for the months in January, February and March, 1918, amounted to \$998,036 (an increase). There was an increase of 23,959 tons in cargo and a decrease of 138,283 in passengers.

So far as educational matters are concerned, it seems that the authorities of Japan are getting quite "touchy." It was only a few weeks ago that the gift of an American millionaire to one of Japan's leading educational institutions for founding a Chair of Political Economy was held up owing to the fear that the result of accepting the gift might be the introduction of too many democratic ideas among the youth of Japan. The incident above related is public property; the one that is about to be related is more or less hearsay, and it is to be hoped that it is not true. But the story, as the REVIEW has received it, is that recently in Tokio a foreign teacher who had lived there many years, who was a man of high standing and prominence in the community, has been dismissed from his position as a result of his suggesting that his son enter the Higher Normal School where his father was a teacher. His son was born in Tokio, speaks and reads Japanese fluently, and recently passed with a high mark the three years' course for student interpreters at one of the Embassies; there was no question of his capacity. But the mere suggestion of a foreign student being admitted to a Japanese school caused a furore and led in the end, as above stated, to the dismissal of the father from the faculty of the school.

In concluding an article on "Law Courts in China," contributed to the May number of *Case and Comment*, a legal magazine published by the Lawyers' Cooperative Publishing Company at Rochester, New York, Warren R. Austin, formerly of Peking, attorney for the Siems-Carey Company, writes: "This novel court, the sanctuary of American defendants, is more than an arbiter of particular controversies, more than an extension of the American system of jurisprudence beyond the limits of the United States to the remotest lands from us; it is incidentally an international forum, which, by the justice and equity of its decisions, equally applied to foreign plaintiffs of whatever nationality, and by the exposition and enforcement of laws having their source and sanction in government knowing no sovereign but the sovereign people, spreads abroad the liberty we ourselves enjoy, increases the confidence and respect of foreign nationals—especially the Chinese—in the institutions of a free government, and invites the young Chinese onward in their struggle to throw off the despotism of Old China which still lives, though the Government is called a Republic, and continues to express itself in part through the office of the District Magistrate."

One of the most useful phases of the Y. M. C. A. work in Shanghai is that known as "boys' work." This began with a camp at Mokanshan which was later developed into ten self-governing clubs, and from the first these clubs have dedicated themselves to social service and taken a very active interest in boys less fortunate than themselves. For four years groups of boys have gone regularly three times a week to the reformatory where they encouraged boys to lead a better future life by teaching them reading, writing and music. A determined effort is also being made to improve industrial conditions in Shanghai, particularly as regards child labor. Of 12,570 boys working in eighty-eight different employments it was found that the great majority were working from twelve to sixteen hours a day, and most of those under twenty years of age received no money but only food, shelter and a meagre allowance for clothing. The first attempt to induce the employers to allow their working boys an hour each evening for study was a failure, but gradually when the employers saw what a great improvement education was making in their employees, some of them encouraged this work. In addition to their school work the boys have one evening a week for a social time, features of which are games in the gymnasium, followed by a shower bath and swim. There are also health lectures; and in addition hundreds of thousands of leaflets on the preservation of health have been distributed.

Chinese Y. M. C. A. Drive for New Shanghai Building

More than a hundred of the leading business men of Shanghai met last night and discussed plans for a campaign from June 15 to June 29 to assist the Chinese Y. M. C. A. of Shanghai in raising a fund of Mex. \$250,000 for a new building to relieve the congestion existing at the present quarters in this city. The present campaign for funds will be the first that the organization has made in its twenty years' history in the Settlement. Outside of the funds for the present buildings, which came from America, the organization has been entirely self-supporting. According to the tentative plans that the Y. M. C. A. has adopted the new building is to be in the nature of a Y. M. C. A. hotel to be located on Hongkong Road, about one block from the location of the present buildings at 120 Szechuen Road. The new structure is to be of approximately six stories and is to be thoroughly modern and fire-proof. The top floor may be designed as an auditorium and permanent meeting place for various foreign and Chinese organizations of Shanghai. In explaining its reasons for going to the foreign and Chinese public of Shanghai for funds for the new building, the General Y. M. C. A. committee has issued the following statement:

"At this time we should certainly do all in our power to cement friendly feeling and better understanding between the Chinese and the foreign community. The Y. M. C. A. now has a membership of more than 3,000 Chinese men and boys who for the most part are in the employ of large foreign and Chinese firms of Shanghai. In our educational department we enrolled more than 1,500 students last year and were forced to turn away more than 200 applications for admission to our high school because of lack of accommodation.

The total attendance in our physical department, gymnasium classes, swimming pool and athletic field for 1917 was 136,000. We now have accommodation in our dormitories for 180 young men and every week are forced to turn away dozens because of shortage of rooms. The Association is the only institution in Shanghai which provides clean, wholesome recreational facilities combined with physical, mental and moral care for its members, and as such it should play a far greater part than it is playing in the life of the community."

The plans for the building campaign have already received the endorsement of the Chinese General Chamber of Commerce and are now being considered by both the British and American Chamber of Commerce in Shanghai.

Nanking and Hangchow Railways Issue Joint Goods Tariff

The Shanghai-Nanking and Shanghai-Hangchow-Ningpo railway systems were linked up several years ago by a line running around Shanghai from the terminus of the former line to the terminus of the latter, situated not very far from Lunghwa. Almost immediately after the completion of this connecting link arrangements were made for all trains to Hangchow to start from the Shanghai-Nanking Railway Station, which has since then been known as Shanghai North. But no arrangements had been made for through goods traffic. Commencing with the first of this month, however, freight will be accepted from points on each line on through bill of lading, and in this connection a most elaborate tariff has been arranged, which has been put into book form, making a volume of about one hundred pages. In addition to most specific instructions as to how shipments are to be made and details of the charges which will be levied on the various classes of cargo, the rate book is interspersed with a number of excellent photographs, giving views of such places as the Markham Road dock, the West Lake at Hangchow, Soochow and other places. The rules for acceptance of freight are contained in a dozen succinctly worded pages, having been compiled with great care by C. L. G. Wayne, on whom the principal burden of the management of the traffic department rests. The Hangchow Railway was one of the most recent lines to be constructed in China, and it will be remembered that it was originally financed and built under purely Chinese management. Now that it has been linked up with the excellently managed Shanghai-Nanking line and managed by the same staff as the latter, there can be little doubt but that shippers in this part of China will receive most excellent railway service—in fact almost as good as that accorded shippers in Western lands. C. P. Yin is the acting managing director of the joint lines and great credit is due to him for the excellence of the service rendered by these two railways.

The U. S. Red Cross Drive at Hankow

From the Central China Post, May 27.

This is the last day of the Red Cross Drive, and the great day of the feast. To-night the workers will render their accounts; the amount secured will be totaled up and made ready for going forward on its

errand of mercy. The figures up to Saturday were \$17,220 and Tls. 3,050, say \$21,500, which is practically the amount that the Committee at the outset considered might be collected in Hankow. They have made up their minds now to secure half as much again and will be after it to-day hot foot.

There is much to depress in the present war. To steadily look at the black side of it is enough to drive a man mad. But there are two wars being waged—one of murder and destruction, and the other of life-saving and reconstruction. For the one German ambition and greed is responsible and for the other the credit belongs to the workers of the Red Cross and kindred institutions. If we steadily look at both we shall see that the auspices are all in favor of a much better world after the war than there ever was before.

First Advertising Club in Orient Formed in Shanghai

An advertising club, the first to be formed in the Orient, was organized at a meeting of Chinese and foreigners interested in advertising and publicity in China held at the Oriental Hotel, Tuesday evening, June 4. The club will be known as the Advertising Club of China and its purpose as set forth in the constitution is as follows:

"To bring the members of the publishing, advertising and business professions into closer personal relationship; to further good fellowship; to promote the mutual interests of its members; to afford a means whereby the Chinese members may study the best methods of advertising and publishing and merchandising in use in foreign countries, and to afford a means whereby foreigners interested in these professions in China may study better methods of promoting their interests in China. The membership shall be confined to Chinese and foreigners of Allied or neutral nationality living in China who are directly interested in the foregoing activities."

It is the purpose of the club to affiliate with the Associated Advertising Clubs of the World, an organization composed of more than 600 advertising clubs in the United States, England, Canada, Australia and New Zealand. The headquarters of the organization is at Indianapolis, Ind., and the annual convention, which is usually attended by more than five thousand business men, will be held at San Francisco next month.

The Advertising Club of China starts out with a charter membership of thirty-three as follows: A. G. Loehr, American Consulate; E. Strassman, British-American Tobacco Company; D. K. Wong, *Hsin Shan Pao*; Wong Yao-ying, *Shun Pao*; C. F. Lin, Howe's Advertising Company; A. N. Lethin, International Correspondence Schools; John S. Potter, Andersen, Meyer & Company; J. B. Powell, *Millard's Review*; A. C. Row, British-American Tobacco Company; Sing Pah-chen, *Hsin Shan Pao*; Ho Shung-kai, British-American Tobacco Company; Tsong Yok-pang, British-American Tobacco Company; Sing Chun-shing, Wan Ming Press; Ting Sung, *National Herald*; Chao Tsung-huai, *Republican Daily News*; Sung Shih-yi, Sun Sun Artistic Studio; C. B. Long, *Hsin Shan Pao*; John A. Dissmeyer, British-American Tobacco Company; Yiu Shun-fu, *Hsin Shan Pao*; Chow Chao-ching, *Hsin Shan-Pao*; E. D. Alexan-

der, Walk-Over Shoe Company; Lok Fong-joh, Tsong Hwa Publishing Company; Dr. Fong F. Sec, Commercial Press; Zie Ts-bay, *Hsin Shan Pao*; Tsang Ping-woo, Commercial Press, Sing Ngn-yi, *National Herald*; Hu Pah-chang, British-American Tobacco Company; S. C. Wong; Andersen, Meyer & Company; G. L. Treadwell, Chinese-American Publishing Company; E. C. Lempert, British-American Tobacco Company; Nieh Chi-wei, Chung Foo Union Bank; Chung Hung-fee, Commercial Press; H. H. Wang, Commercial Press.

The following officers to serve for the coming year were elected: President, J. B. Powell; Vice-President, D. K. Wong; Chinese Secretary, C. F. Lin; Foreign Secretary, A. N. Lethin; Treasurer, Dr. Fong F. Sec; Assistant Treasurer, John A. Dissmeyer; and the following, who constitute a Board of Governors: H. H. Wong, S. C. Wong, E. Strassman, John S. Potter and A. G. Loehr. The next meeting of the organization will be held on Tuesday evening, June 18, and an invitation has been extended to members of Shanghai firms who are interested in the organization to become members.

American Express Company Opens for Business in Shanghai

The American Express Company, one of the largest express and banking corporations in the United States, has opened an office in Shanghai at No. 10 The Bund. It is the purpose of the company to engage in the general express business and also in the exchange banking business. It also has extensive plans for engaging in the local banking business in Shanghai. The manager of the Shanghai office will be Robert Buchan, who has had charge of the company's business for the last two years at Hongkong. Before coming to China, Mr. Buchan was manager of the American Express Company's business at Montreal, Canada. He is assisted by William Yost, who has just been transferred from New York, where he has been connected with the foreign department of the company at that place. This is the second American company engaged in this line of business to establish an office in Shanghai, the other being the Wells Fargo Company, which has offices on Kiukiang Road. The establishment of offices by the American Express Company in Shanghai is of especial interest at the present time in view of the recent announcement from Washington that the four large American express companies, the Adams, American, Southern, and Wells Fargo, have been merged into a G. \$30,000,000 corporation under a special agreement made with the U. S. Government. Whether the companies will also merge their foreign branches into one corporation under the provisions of the recently enacted law permitting companies to combine for foreign trade, is not known. R. A. Foulks, who has been in China for several months in connection with the establishment of offices by the American Express Company, accompanied by Mrs. Foulks, departed for America last week.

Japan as Seen Through Mr. Fleisher's Eyes

B. W. Fleisher, the owner of the *Japan Advertiser* (Tokio), who is at present in America perfecting arrangements for the publication of a new commercial

journal, the first issue of which is to appear October 1, was recently interviewed by the *Editor and Publisher* (New York). Mr. Fleisher stated that his new monthly paper is to be known as the *Trans-Pacific*, and its object will be to weld America and the Far East into closer commercial relations; the body of the paper will be printed in English, but there will be also Chinese and Japanese departments. Mr. Fleisher explained how Japan had benefited through the war. Whereas early in 1914 Japan's specie reserve was at the lowest since the Russo-Japanese War, now her specie reserve stood at about six thousand million dollars. The war had changed her from a debtor to a creditor nation. Mr. Fleisher mentioned that although the Government was undoubtedly sincere in its stand with the Allies, the people of Japan, speaking broadly, are indifferent to the war. Great interest was being taken in American affairs as could be seen from a reference to the newspapers, Japanese newspapers devoting more space to American news than to that of any other country. Among other things Mr. Fleisher said the following:

"A country lacking in natural resources, she has learned from the war that to be strong a nation must be economically independent. Nearby is China, a country potentially rich but lacking in development, and holding the raw materials essential to Japan, and which are lacking in Japan. Especially is this true of iron.

"This fact has been driven home to Japan all the more forcefully by the embargo placed on the shipment of steel from the United States. Economic Japan is therefore determined to obtain control of these resources, and she is getting them. No fault should be found with this so long as she obtains concessions honestly—as honestly as is possible in a misgoverned country. Many of these undertakings are being operated through Sino-Japanese corporations, under Japanese management and control.

"Politically the war also has proven a glorious opportunity and given an opening which Japan has grabbed. She aspires to the leadership of the Asiatic races. She has never failed to impress upon the Chinese Government the strength of her influence and the dominance of her position among the Allied nations, especially as applied to the Far East. England, France and Russia in the early part of the war have had to play into her hands in this respect and granted to her, more or less, a free hand in Chinese affairs. Through the war Western civilization has lost its face for the time being in the eyes of the Orient, again to Japan's advantage."

Women's Work

American Woman's Club Plan Garden Fete

The American Woman's Club of Shanghai will hold a garden party this afternoon (June 8) at the home of Mrs. Julean Arnold and Mrs. J. K. Sague, 405 Avenue Joffre, at 4:30 o'clock. Plans have been made for a Chinese play entitled, "Growth of Flowers in Spring," to be staged by the Chinese girls from St. Mary's School, Jessfield, as well as several folk dances to be given by the American School girls and a tableaux representing the four seasons. Arrangements have also been made for dancing and other amusements during the afternoon, in addition to refreshments being served

Chinese Government Railways

Peking-Hankow Line

"The Road Through the Heart of China"

—:o:—

THE Peking-Hankow Line, the most important section of China's overland route, enables tourists and travellers to get a glimpse of Old China, the train passing through magnificent scenery, traversing the great plains of Chihli, the central portion of Honan and the mountainous region of the eastern Hupeh province.

THE Peking-Hankow route joins at Fengtai the main line of the Peking-Mukden Railway, by means of which this line is connected with the railways in Manchuria, Korea, Japan and Siberia, while steamer facilities at Hankow bring it into easy communications with the Yangtze River ports and Shanghai.

FROM the Capital to Hankow the journey occupies 34 hours, by the daily through train which is provided with up-to-date sleeping and dining accommodations.

CHI KUNG SHAN Mountain (Summer Resort), not many Summer Resorts in China inland can bear comparison with the natural charming views that reward those who ascend the mountain of Chi Kung Shan whose summit stands at an altitude of 1980 ft. On reaching Sintien station, situated 110 m. from Hankow, a serpentine road climbs the mountain, on top of which are hundreds of beautiful bungalows awaiting vacationists. This popular resort is celebrated for its scenery, where an almost unbroken communion with nature can be enjoyed for a week at a time.

HSI LING or **WESTERN TOMBS**.—With their present-day accessibility, there is now little excuse for visitors to Peking omitting a trip to the Western Tombs, undoubtedly one of the most impressive sights in China. The site of these beautifully adorned Imperial Tombs is close to Liang Ko Chwang station, 79 m. from Peking, which is reached by a Branch-line formerly built for the exclusive use of the Imperial Sovereigns when visiting the Tombs of their ancestors. The Western Tombs include the mausoleums of four Manchu Emperors and three Empresses, as well as those of a number of rinceses. The region is justly appreciated for the charming scenery surrounding the Imperial Tombs and is highly recommended to any one in search of the extraordinary and beautiful.

MILLARD'S REVIEW will publish in May as a part of Volume IV, a complete index of all special articles and editorial comments that have appeared in the magazine since the first issue on June 9, 1917. Owing to the shortage of paper, this index will be supplied only to those who desire it for filing and reference purposes. Persons desiring a copy of the index should notify the office in writing at the earliest possible date, otherwise it will be impossible to supply it. The index is a part of the **REVIEW** and there will be no extra charge to subscribers who desire a copy.

for those attending the Garden Fete. The admission price will be \$1, including refreshments, and all proceeds will be turned over to the American Red Cross. The chairman of the different committees having in charge the entertainment are: Admission, Mrs. McCoy; coffee, Mrs. J. C. Clarke; tea, Mrs. Viloudaki; Punch, Mrs. Blechynden; dancing, Mrs. Petrocelli; decoration, Mrs. C. H. Webb; children's entertainment, Mrs. Allen and Mrs. Loehr; children's waitresses, Mrs. H. L. Heen; Ushers, Miss Russell and Mrs. Lyon; refreshments, Mrs. MacBeth; and arrangements, Mrs. E. O. Baker.

The executive board of the Club are expected to be at the Fete at 3 o'clock to receive the guests.

Vassar College to Have No Commencement Exercises

At a meeting recently held by the Senior Class of Vassar College it was voted unanimously to forego all exercises of Commencement Week, with the exception of the Baccalaureate sermon and the presentation of diplomas, including Class Day and Third Hall play. During the present crisis it was decided by the students that the time and money given to this could be put to a better advantage, and although the plans for the exercises were well under way, the small cost thus far in connection with the invitations, announcements and class day books at the printers was a small item. Miss Catherine Wellington, chairman of the Class Day Committee, said "All our views have risen above the personal as we have waked up to what the war means. The work done by the Committee should not be considered for a minute." Miss Wellington then told that the expenses of Commencement would approximately come to Gold \$60,000, including railroad expenses and the cost per family. It was also announced at this meeting that the Freshman class and the Sophomore class had given up their class rings and Tree ceremonies and the Junior class were debating giving up Senior parlor. Mrs. John Wood Blodgett, Vassar alumnae, was present, and made an appeal for Vassar volunteers for 1918 to the Nurses' Training Camp. She said that at present there were twenty-one Vassar women at work in France and two had been decorated for bravery. Miss Gertrude Bandfield, president of the Senior class, announced that seventeen scholarships had been offered previous to Mrs. Blodgett's visit, and that she brought with her the report that thirty more were at the disposal of graduates.

Mrs. J. K. Sague, 405 Avenue Joffre, Mrs. R. D. Stafford, 120 Dixwell Road, and Mrs. G. A. Fitch, 50 Dixwell Road, of Shanghai are graduates of Vassar College. Miss Katherine Sague was a student at Vassar before coming to Shanghai.

Shanghai Missionary Association

The final meeting of the Shanghai Missionary Association was held at the home of Mrs. J. B. Fearn, 30 Route Pichon, on Tuesday afternoon, June 4, at 4:30 o'clock. The devotional exercises were led by Dr. Samuel M. Zwemer. Dr. J. C. Davenport, retiring president of the Association, read an interesting paper on medical missionary work in China. The refreshments were served on the lawn by Mesdames Fearn, Black and Roberts and the staff of the Shanghai American School. The officers for the new session

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are: Dr. W. H. Lacy, president; James Stark, vice-president; Rev. M. H. Throop, M.A., secretary; R. P. Montgomery; treasurer, Dr. John Darroch, Prayer Meeting secretary; and Mrs. D. W. Lyon and Miss H. C. Bowser, Entertainment Committee.

Normal School Gives Pageant

A large audience was present at a pageant given by the Chinese Senior girl students of the Y. W. C. A. Physical Normal School on Wednesday afternoon, June 5, at the Eliza Yates School, North Szechuen Road. The pageant was a story of introducing Physical Education into China and was given in the form of a playlet by the students. The demonstration closed with gymnastics of the Junior Class and a drill and grand march, in which 300 Chinese girls of different schools participated with the Senior Class in charge.

Correspondence

TO THE EDITOR, MILLARD'S REVIEW:—

I was much pleased to receive a copy of your valuable periodical dated April 20, and scanned the list of my fellow veterans with much interest. I note that there is among them all only one M. D., Dr. H. T. Whitney, who was associated with me at Shaowu for several years.

When I came out memories of the Taiping Rebellion were still fresh in many minds. The population of Shaowu was reduced by the Taipings from over 40,000 to about 15,000. Little did I then dream that Christian Europe would be the scenes of destruction much worse than Shaowu suffered. The fruits of the flesh are the same in every age and every land.

I note one slight omission which I did not observe till I began to copy the list. Much more deserving men than myself have not been given the "Lunar Fardels."

With many thanks,

J. E. WALKER.

Shaowu, Fukien, May 21, 1918.

American Textile Machinery to the Fore

THE machinery exhibit at the Textile Show at the Grand Central Palace in New York last month was the most complete that has ever been held in any part of the world, and it is evident that American textile machinery manufacturers are not losing any chances to grasp the big opportunity that now exists to carry American-made machinery to all parts of the world. The Textile Show this year was organized for the special purposes of pushing "Made in America" goods in foreign countries, and it is evident that American textile machinery will replace the foreign machinery that up to this time has in many cases been considered better. The old idea that English spinning machines are stronger than the American production has been thoroughly exploded.

American wool and cotton spinning machines were shown in operation at the Palace, and while



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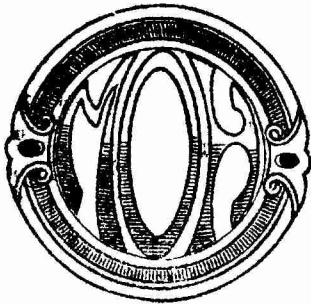
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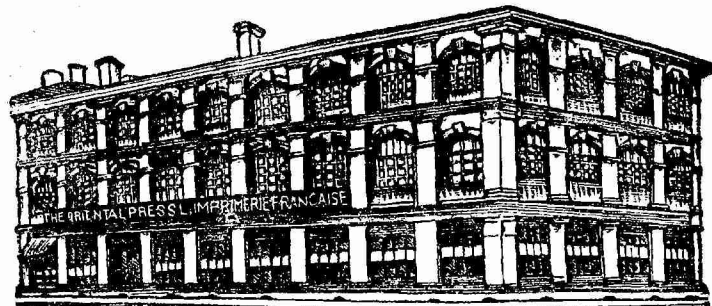
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less bulky looking than the English type they were heavier and stronger in every way. The fact that tended yarn, such as shoddy and cheap mixtures, can be spun on these American machines is proof enough that the progress in manufacturing has been great. There is a growing use of these spinning machines for spinning asbestos, and it is reported that complete success is the result.

A mammoth carder was also shown in full operation and, as is the case with many of the devices shown, increased production is the result. Enough wool can be carded on one of the machines in a day to make over one hundred uniforms and with a labor cost that is as attractive as the increased carding that it will do.

Looms of the most modern type were shown and include those capable of producing the finest material. Coarse cotton cloth was being turned out by the piece and not far away the finest of brocaded silk was being woven with a mass of silken threads. Woolen blankets were also being manufactured on the latest type looms.—*N. Y. Journal of Commerce.*

The East Asiatic Co.'s Difficulties

Like many other reports of the leading companies and institutions, the annual report by the East Asiatic Company strongly emphasises the enormous difficulties to all branches of Danish industry, and especially the shipping trade and commerce, which have prevailed after the unrestricted submarine activity, America's entrance in the war and the more rigorous blockade regulations which were a consequence thereof.

During the first half of the year some of the vessels of the company arrived in Denmark with cargoes, but during the latter half only two of its vessels have been in Copenhagen after having had to discharge their cargoes in foreign ports. Vessels which were on their way home from the East with much-needed cargoes were detained for several months in ports of examination according to the new blockade regulations. Meanwhile, the company was negotiating for their free passage, which, however, was not allowed, and they were therefore directed to proceed to America, this involving heavy losses to the company. Further, the vessels which had been placed at the disposal of the Danish Government to carry maize to Denmark were either directed to shipping ports or remained in other ports to await export license, which, however, was never given.

Owing to these circumstances the trade departments at the head offices in Copenhagen have been subject to the same restrictions as the shipping trade. Except a few cargoes which arrived during the first half of the year, no supplies have been received from abroad, nor has there been any export worth mentioning from Europe to trans-Atlantic countries. On the other hand, rather considerable exchanges of goods have taken place between the branches and the agencies.—*Translated from "Finans Tidende" (Copenhagen.)*

The Importance of Tank Steamers in the Bean Oil Trade

The increasing export of bean oil from Dairen is illustrated in the returns for the last fiscal year which showed the export to be 104,000 tons or so, and it is



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generally anticipated, barring unforeseen happenings, that the figures for the present fiscal year will attain some 120,000 tons. The Japanese-owned paper at Dairen states that owing to the want of well-appointed tanks on the Dairen wharves or of steamers calling at that port, sundry kinds of receptacles are in use to pack bean oil for export purposes. The most popular receptacles are empty oil cans, which, in consequence of the abrupt rise of tin, are now quoted at Yen 1 apiece. Bean oil exported to, say, Seattle in oil cans, is discharged on arrival at the destination, the contents being emptied into the tanks. The discharging work costs not only a considerable amount of labor, but the loss frequently resulting from leakage while in transit and the waste from the practical valuelessness of the empties, unless carried back home all the way, let alone the heavy cost and labor entailed at this end in packing, etc., are themes of importance entitled to serious consideration. A computation of the number of empty oil cans required in the shipment of 120,000 tons bean oil (the estimated total for the current fiscal year) at the rate of one ton of oil to 60 cans, shows that 7,200,000 cans will be

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required, which, at a cost of Yen 1 each, makes the enormous total of Yen 7,200,000. If, in some future time, it is made possible to export bean-oil by tank steamer, some Yen 50 or Yen 60 per ton can be saved in the cost of transportation, and it may be offered so much the cheaper at the port of destination. It is reported that the U. S. Government has put in hand the construction of about 60 tank steamers of varying sizes, obviously with the transportation of oil in view.

How Japan Evens Up on Ship Tonnage Placed at Disposal of America

About fifty Japanese steamers have been chartered by foreign governments and individuals since the issue of the ship control regulations drafted by the Department of Communications last November, states the *Chugai Shogyo* (Tokio). As a result, however, of the policy of the Japanese Government, which prohibited the extension of charter terms as far as possible, thirty vessels have been released up to the present time.

Twenty, with a total tonnage of 67,731, are still in foreign service. Five of them, aggregating 21,856 tons, are under the charter of the French Government; three, totaling 10,121 tons, are in Italian service; and the remaining twelve, with a tonnage of 35,754, are held by foreign merchants. It is expected that the twelve ships held by foreign firms or merchants will be released when their terms of charter expire, but the other eight will continue in the service of the French and Italian Governments. The recall of chartered tonnage is just about balanced by the twenty-three steamers which have been placed at the disposal of America.

Annual Meetings of Shanghai Companies

The annual general meeting of Weeks & Co. Ltd. (a department store) was held in Shanghai May 31, H. M. Little presiding in the absence of L. J. Cubbitt through indisposition. Among the resolutions passed was that a sum, not exceeding 10% of the total annual salaries of the foreign staff, be distributed by the directors among the employees at their discretion. A dividend of 8% was declared, adequate sums being written off and placed to the reserve funds.

The Shanghai Mutual Telephone Co.'s annual meeting was held June 4, Dr. Neil Macleod presiding. As a result of a prosperous year's working, a dividend of Tls. 4 per share was declared, and also a bonus of Tls. 1.50. A very sensible recommendation was made by Mr. Noel that the charge for a desk telephone should not be more than for a wall telephone, but no indication was forthcoming that any change in rates would be made.

Commercial and Financial Notes

One of the Japanese steamers brought to Shanghai last month four million needles of Japanese manufacture.

The s. s. *Astral*, which arrived in Shanghai May 9, brought from the United States 24,457 gallons of engine oil.

The F. W. Horne Co., Yokohama, has been made a subsidiary member of the American International Corporation.

A bit of news that will be of particular interest to the Japanese smugglers of morphine into Manchuria is that at the beginning of last month there was a slump in the New York market of a gold dollar per ounce in the price of morphine sulphate, in sympathy with a decline in opium.

At the meeting of the shareholders at the Bank of Communications held Peking May 26, Tsao Ju-lin, who presided, reported that, despite political changes and unsettled conditions, the bank had made a profit of \$400,000, which was more than it had made the previous year.

The severity with which Russia's debts fell upon American industrial companies may be gleaned from the annual report of the International Harvester Corporation, which declares that losses in Russia of \$10,120,000 wiped out all the corporation's earnings for 1917 and resulted in a deficit for the twelve months of \$1,350,721. This, notwithstanding the business of the company during the year, increased 23 per cent over 1916. In the latter year the corporation earned a surplus of \$3,037,098.

The *Shanghai Customs Daily Returns* for June 3 note that the two steam launches *Lonic* (10 tons) and *Ling Kong* (8 tons) with Chinese masters, which previously flew the British flag, cleared under the changed names of *Ume Maru* and *Shobu Maru* respectively, having been changed to the Japanese flag; they were dispatched by Hopkins, Dunn & Co.

At the Shanghai Hotels

The following guests have registered at the Astor House Hotel during the week: Mr. and Mrs. Wong Kuo Pao; W. S. Russell, Soochow; C. G. Kuhn; G. H. Daniel; W. Pelpoid; J. Camm, Jr., Chinkiang; J. H. Foster; W. J. Kenyon, Vancouver; Capt. Scharseling, Vancouver; J. A. Grandon, Nanking; E. W. Mills, Kobe; Mr. and Mrs. O. C. Blowen; M. S. J. Walsh, Hsuehchowfu; Sir C. Elliot, Hongkong; R. M. Ford, New York; F. Douglass, San Francisco; P. O. Whiteman; P. O. Whitham, New York; C. S. Weight, Honolulu; W. D. Kadie, Manila; F. Kulka, Hongkong; B. W. Cadwallader, Manila; Sherfesse, Peking; E. W. Ames, Peking; Paul Jernigan, Nanking; Capt. P. R. Purslow, Swatow; L. de Rochean; Miss A. J. Guffin, Hangchow; Admiral Tsai Ting-kai; S. Sokobin, Nanking; S. W. Jersoj; J. H. Moore, New York; E. Dohbin, Hongkong; Mr. and Mrs. J. P. Ward, Hankow; Mrs. J. A. Halpin; J. A. Collins, Peking; Oustronoff and family, Harbin; P. J. Minzshenner, Hankow; E. M. Harman, Ningpo; R. S. Anderson, Local; J. P. DeBerry; Mrs. C. C. Sunn, Antung; G. Ashe, Manila; Mrs. H. G. Reed; Miss A. Saucer, Manila; J. K. Steele, San Francisco.

The following guests have registered at the Palace Hotel during the week: F. Fletcher; Lee Kanming; Mr. and Mrs. H. H. S. Priestley and child; Mr. and Mrs. J. D. Waterston, Hongkong; H. Forest; Mr. and Mrs. Lourentir and child; H. de Kerenger; G. A. Chadwick; Mrs. J. Stirling, Nanking; F. Blackwell, Local; N. E. Warm, Vladivostock; Mr. and Mrs. E. F. Fasting, New York; G. Varaschim, Tokio; J. H. Brandon, New York; V. Delsizion, New York; J. A. Foster, Australia; Ross Frank; E. C. Belbin; Mrs. E. C. Belbin; Mr. and Mrs. Mopin; Mr. and Mrs. H. A. Castro, Hongkong; Miss B. M. Castro, Hongkong; A. Zarwa, Hankow; A. A. Baptista.

The following guests have registered at the Grand Hotel Kalee during the week: Miss H. C. Sulbery, San Francisco; A. S. Murch; T. C. Bleu, Yokohama; Slutsky, Harbin; Mr. and Mrs. Albert Taylor and five children; Mrs. J. Laker and child; Mrs. G. Clarke; F. Stewart, Hongkong; Mr. and Mrs. J. H. D. Enver-Jones, Hankow; Mrs. L. T. Bannord and child, Changsha; Capt. and Mrs. C. Campbell; Boranoff, Harbin; Korsakod, Harbin; L. J. Wagner; J. Monchen, Tsingtao; G. Rosenthal, Harbin; K. Behr, Harbin; A. S. Hockking; L. J. Stewart, Chicago; L. de Wolkoff; F. H. Weber, Hangchow; R. Running, Hangchow; S. G. Wrentmore, Manila; A. Yager, Los Angeles.

New Books and Publications

Instinctive Imperialism

America Among the Nations, by H. H. Powers.
New York: The Macmillan Co. \$1.50.

THIS book is an appeal to Americans to think of their nation as a member of a great Anglo-Saxon fellowship. The author does not argue for an alliance between Great Britain and the United States, nor for a treaty of arbitration, nor for a formal representation of America in an Imperial Council, since he believes that all these arrangements would increase friction between the two peoples. What he demands is merely our recognition of the fact of an Anglo-American solidarity and the shaping of our foreign policy in relation to that fact.

Dr. Powers is a realist in international politics. He is no believer in national generosity or good intentions. "Nations reveal their character," he says, "by what they do rather than by what they say," and "all nations act from self-interest." But the self-interest he has in mind is not a conscious striving after economic advantage, but a semi-instinctive assertion of race. "History," he says, "is less a matter of voluntary choices and more a matter of cosmic forces than is usually assumed. The great decisions of

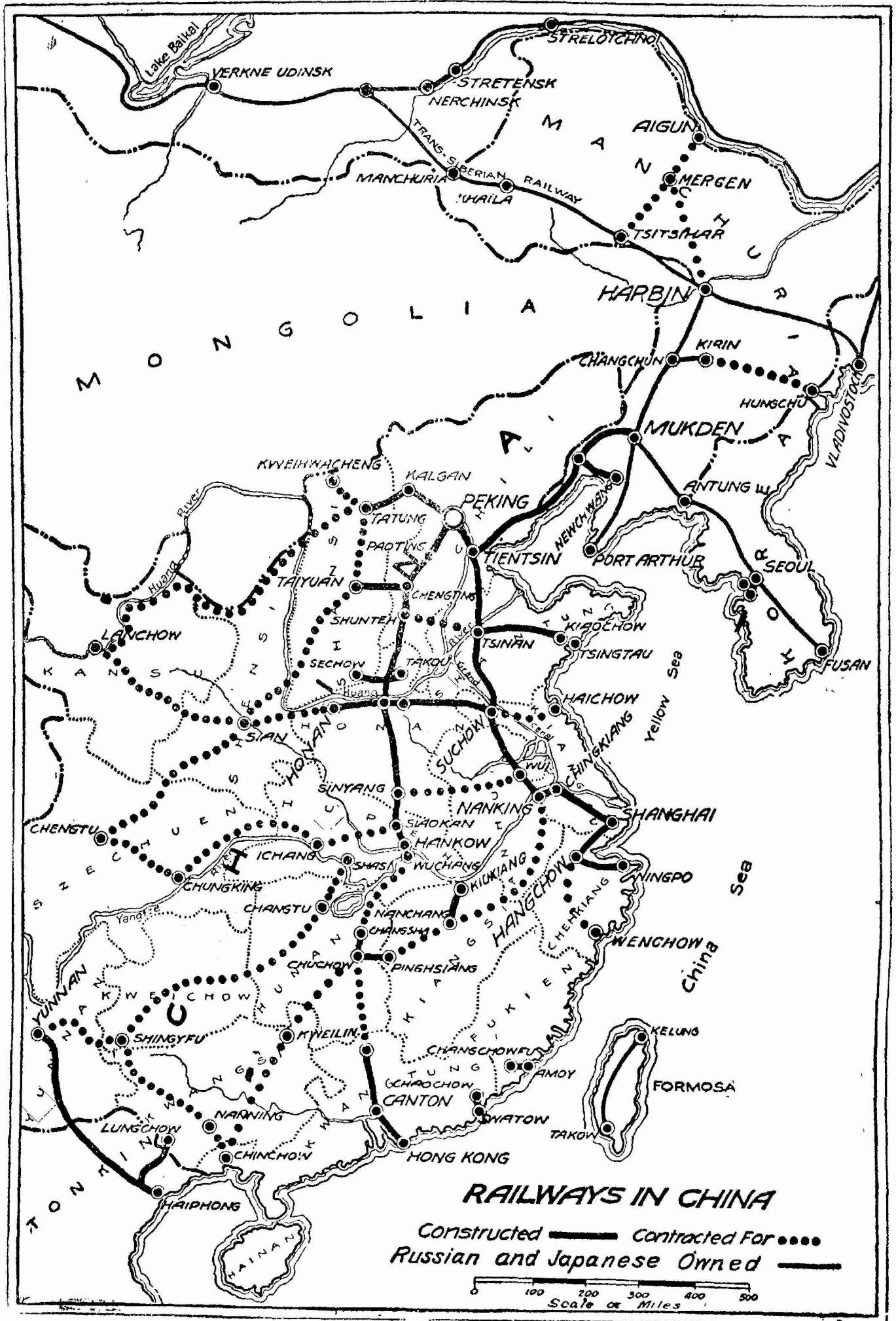
nations have seemingly been unconscious. Men are free to choose among the alternatives which present themselves, but they have little power to determine what these alternatives shall be. Their choice, even within the limits allowed, have a significant uniformity."

For these reasons Dr. Powers does not "take too seriously the fascinating program of making the world safe for democracy." Such phrases are very well in their way. They seek to unite a people and placate men with uneasy consciences. "When however the Peace Conference meets we shall hear very little of the sonorous slogans which heralded the war's beginnings, and much of the concrete problems for which these phrases suggest no very tangible solution."

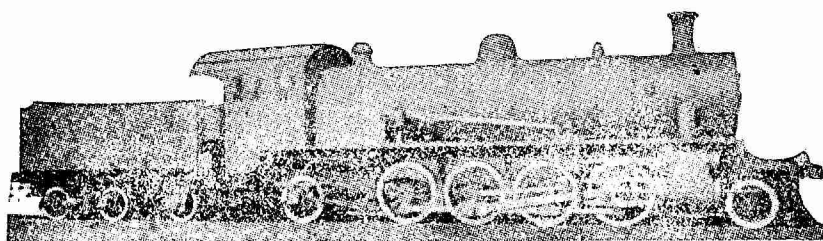
It follows that all healthy nations are baldly imperialistic, and the United States, being healthy, is as imperialistic as any. According to Dr. Powers, we have always been aggressive. Our heredity and our training during the long frontier conflicts with French and Indians made of us a strong, stubborn and relentless people, with little sentimentality and less forbearance. All through our history we have pushed forward, taking what we wanted, whether we needed it or not, and closing our ears to all protests. We were "aggressive, overconfident, undisciplined and incautious," and our record, especially during the first half of the nineteenth century, was one of frank and consistent imperialism. Theoretically we believed in the right of self-determination by the people of the territory to be annexed, but in practice we gave no heed to this pious maxim. We declared that we should never, never acquire territory that was not contiguous, but when we had the chance and felt the necessity, we forgot our resolution. In due course we established a quasi-protectorate in Cuba and acquired Porto Rico, the Philippines, Guam and Tutuila. Subsequently we took the Canal Zone, and have since extended our jurisdiction to Nicaragua, Santo Domingo and Hayti, our control of the latter being on the approved model of British dominion in Egypt. And we have only begun. In one form or another we are to control all Caribbean countries, not entirely excluding Mexico, which can escape a protectorate only "by voluntarily assuming its essential limitations."

Here we have a picture of an instinctive American imperialism in a world in which all other great nations are imperialistic. Remember that, according to Dr. Powers, the form of government counts for little in foreign policy and that democracies are as imperialistic as autocracies. Thus, although Russia may at present forego aggression, she will be compelled in the course of a few decades to return to this policy. Japan must expand and nothing can stop her except our own expansion, while England, France and Germany will all push forward, by force of arms if necessary, and despite the danger of war. Where powerful and unconscious race instincts are involved considerations of caution and morality have little weight. "Imperialism is a permanent process." "Imperialism may learn to accomplish its purposes without war, but not to relinquish its purposes."

All of these premises lead Dr. Powers to the conclusion that we must enter into a partnership with England. We Americans are in the stream of the world, in the midst of the swirling perilous imperialistic current. We are too weak to act alone, for other nations are stronger and are likely to retain their



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Growth of Railroads in China

CHINA has an area of about 4,300,000 square miles — about one and a half times the area of continental United States, exclusive of Alaska. Its population is estimated to be about 400,000,000. In all this vast extent of country and with this great population there were in 1916 only some 6,000 miles of railroads. Something over 2,000 miles more are under construction and still eight or nine thousand more are projected. About half the 6,000 miles actually constructed are owned by the Government and the rest by the Provinces and by private concerns.

Lack of money from the various powers that formerly assisted it so materially has been the greatest obstacle in the way of China's railway expansion in the last year or two. American capital represented by the Siems-Carey Railway and Canal Co. entered the field of railway construction in China in 1916. This company was allotted 1,100 miles of lines in various sections of the country, some of which has since been substituted for other lines. The activity

of this company has been practically the only railway building in China of late, although many improvements on other lines have been made.

The development of railways in China has brought with it an increase in modern rolling stock and accommodations. During the calendar year 1915 (the latest available data thus classified) the value of railway carriages, wagons, locomotives and tenders (together with tramcars, which are included in the statistics) was \$1,637,545, which was furnished by foreign countries in the following proportions—Russia 65 per cent, United States 15 per cent, United Kingdom 14 per cent, Japan 5 per cent and others one per cent. Railway materials, including sleepers, were supplied during the same year in the following proportions—Japan 48 per cent, United Kingdom 30 per cent, United States 12 per cent, Russia 6½ per cent and others 3½ per cent. The total value of these imports was \$2,112,166.

Concluded on next page

(Concluded from previous page)

The extent of the import trade in railway materials is also further shown by the following figures :

Materials	Quantity		Value	
	1915	1916	1915	1916
Railway and street cars			\$355,815	\$443,650
Locomotives and tenders			1,073,824	11,750,942
Sleepers (number) 1,694,001	1,746,571	952,847	1,552,874	

Among the principal roads owned and operated by the Chinese Government, the increase in the 1916 receipts over the 1915 figures was as follows: Peking-Hankow line, \$4,000,000 (Chinese currency, with Chinese dollars equal at that time to about \$0.63 United States currency, an abnormally high rate of exchange); Peking-Mukden line, \$2,300,000; Tientsin-Pukow line, \$2,400,000; and the Peking-Suiyuan (an extension of the Peking-Kalgan) line, \$400,000. The first, second and fourth of these lines have been very remunerative practically since their completion, but the third, owing largely to political conditions, has lost money steadily. Another line—the Shanghai-Hangchow-Ningpo Railway—reported that its income from freight in 1915 amounted to \$562,549 Mexican, which was somewhat below the estimated amount—a shortage said to be due to the falling off in imports of foreign goods as a result of war prices, to the suspension of train service for a considerable period of time and to an increase in taxes on rail freight.

Other important lines in China are the Supingkai-Chongchiatun Railway from Chengchiatun, Manchuria, to Kailu in Eastern Mongolia; the Yunnan Railway, of whose total length of 534 miles only 289 miles are in China; and the Shanghai-Nanking Railway; and the Siems-Carey Railway and Canal Co. will construct roads in a number of different routes.

The opportunity for the United States to grasp the trade involved in supplying and maintaining these railroad routes is evident and several competitors appear to be out of the field, at least for some time to come. The American trade is already noteworthy and can be increased very largely.—*W. W. Sniffin in the Scientific American.*

superiority. Russia, says Dr. Powers, is destined to become much more powerful than the United States because she has a larger population, a higher birth rate and greater natural resources. Against a European coalition we should be helpless. We cannot gain security by a union with Latin America, for this would be merely an added liability, besides being incongruous and impossible. Nor can we save ourselves by appeals to sentiment, any more than the mouse can appeal to the generosity of the cat. We must find our way in this endless, ruthless struggle in which nations expand or shrink, grow or die, destroy or are destroyed. Only an Anglo-American collaboration can solve our problems and fulfill our purposes. Americans and Englishmen must stand together in this constant shifting of world forces that we call imperialism.—Needless to say, Dr. Powers has no interest in a league to enforce peace, which he considers a Teutonic conception, a mechanistic and impracticable method of attempting to solve problems of growth. There is no hope for an internationalism which runs counter to the omnipotent impulse of race assertion. Arbitration, mediation, disarmament, the self-determination of peoples are paper walls, which will be rent by the resistless expansion of virile races.

It is no valid objection to the author's theory that it is essentially the fashionable German conception of the biological struggle between rival nations, with the decision in favor of the big battalions and the big families. Its truth or falsity does not depend upon its provenance. To the reviewer, however, the formula seems too simple and too absolute. Dr. Powers speaks constantly of race instinct, race assertion, the biological necessity of expansion and growth. Nowhere, however, does he analyze the nature of this growth, but assumes, though he does not expressly state, that it is to-day as it has always been, a sheer lateral expansion, necessitating a physical occupation of new territories. It is easy, after the event, to ascribe all wars to race instinct, but as we review history the facts do not fit. Nations have fought for religion, for commerce, for economic gains of all sorts as well as for race supremacy. But Dr. Powers rather glides over the specifically economic conflicts between nations, and does not discuss the question to what extent these differences, being quantitative, are capable of adjustment and compromise.

Finally the author seems to lack the rigorous logic of the Germans, whose philosophy he accepts. His conclusions would naturally lead to perpetual war. Anglo-American imperialism, such as he foreshadows, would upon his own theory meet with the ferocious opposition of many powerful nations. The fear of German domination would give place to the fear of a firmer though more concealed Anglo-American domination, and we should again have a world dualism and new world conflicts. But the author hopes against his own logic for a composition with a Germany which has undergone "the chastening of overwhelming defeat." Germany is to be admitted as a minor partner in the great Anglo-American fellowship, but only on terms which, on the author's argument, she could not accept. "If Germany is to play that part in the world which her rich racial endowment warrants, it must be in the territories now occupied by the Anglo-Saxon race. . . . They are enough for both." —WALTER E. WEYL, in "The New Republic."

Defending the Moon on Foochow Road

Roving and Fighting, by Major "Tex" O'Reilly
New York: The Century Co. Shanghai: China American Pub. Co. Mex. \$3.00.

Major Edward S. ("Tex") O'Reilly is a true soldier of fortune, old style. He has fought and hoboed all over the world and has served under four flags. With inimitable good humor he has now written his life story, a single incident of which formed the basis of one of Rex Beach's most successful novels. This is an episode from Major O'Reilly's life as an officer in the Chinese army:

"It was on Foochow Road (Shanghai) that I experienced a wild night which, for the time, almost convinced me that I had been transported to another planet.

"Reporting off day-duty one evening at the Central Police Station on Foochow Road, I was ordered to return in uniform at seven o'clock.

"What's the reason for the extra duty?" I asked an old-time sergeant as we climbed the stairs to the mess-hall.

"Eclipse of the moon," he replied.

"The whole police force can't stop the moon having an eclipse when it feels like it," I protested. "What's the idea?"

"You'll see to-night," and the old-timer grinned. "You'll have to be defendin' the poor old moon from assault and battery by a million lunatics."

"Having learned that a 'greenhorn' gets much left-handed information by asking too many questions, I let the subject drop. Before the night was over I learned that the sergeant was right.

"An ancient Chinese superstition regarding an eclipse of the moon was the cause of one of the wildest nights it has ever been my misfortune to witness. According to the belief of the Chinese, an evil old dragon of the skies is ever on the watch to swallow the moon. Sometimes he gets it in his mouth and occasionally he succeeds in swallowing it. Only by frightening the wits out of the old dragon is the moon ever restored to the skies.

"When an eclipse occurs, every Chinese city becomes a collection of madmen. Each Chinaman tries to make all the din and racket he can in order to make the dragon disgorge the chief ornament of the heavens. They set off tons of firecrackers, build bonfires, beat tom-toms, and run yelling in hysterical panic through the streets.

"When the appointed time came, I was stationed on upper Foochow Road, where the 'sing-song' houses are. It was a bright, clear night, and the moon was sailing high. At last the shadow began creeping over the rim.

"As if a signal had been given, the most frightful pandemonium broke loose. It was worse than any battle I have ever heard. Thousands of gongs were beating, and the rattle of the firecrackers rose to a steady roar, punctuated by the heavy boom of the giant crackers.

"Shooting firecrackers is against the law in the Foreign Concession, on account of the danger of fire. It was the duty of the police to arrest the offenders, but an army would have been unequal to that job.

"Thousands of panic-stricken Chinamen ran aimlessly about the streets, yelling hysterically. Some groveled in the road, throwing dust over their heads. I saw one venerable old fellow, clad in the silks of a mandarin, leap from his jinriksha and pound his head

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on the pavement until his face was bloody.

"It was no trouble to catch violators of the fire law. In a few minutes the compound of the station was filled with a howling mob of prisoners. Several fires were started, and the fire department was kept on the run. Many of the town militia volunteers joined with us to prevent more damage.

"There was one man especially busy with his giant crackers in a narrow alley leading off Foochow Road. The alley was lined with flimsy wooden shacks, so that a fire in that quarter would have been hard to fight. Time after time I tried to catch him, but he escaped in the labyrinth of narrow passageways, only to appear a moment later to take another shot at the moon.

"Finally I sent an old Chinese police sergeant to one end of the alley and posted myself at the other entrance. Again the man appeared. The sergeant and I rushed at him. Seeing the Chinese policeman, the savior of the moon lit his giant cracker and turned to run. Then he saw me bearing down upon him. With a frightened yell, he threw the sputtering cracker.

"That infernal bombshell hit me just above the belt-buckle and exploded like a three-inch shrapnel shell. It is no joke to have a giant firecracker explode just below the short-ribs. It felt like the kick of a mule, and for a few minutes I was seasick. My tunic was set afire, and my chin was blackened by the exploding gunpowder. The hysterical bombardier escaped.

"Gradually the shadow on the moon began to fade. The noise increased. Over a million Chinamen can make a lot of noise when they set their mind on the job. At last the moon was sailing clear and full, on its regular evening jaunt across the sky. The old dragon had been frightened away.

"If his dragonship was hit where I was by any of those cannon crackers, I don't blame him for disgorging that moon."

Directory of Protestant Missions in China in 1918, edited for the China Continuation Committee by Charles L. Boynton, Statistical secretary. Shanghai and Peking: Kwang Hsueh Publishing House.

While this book is primarily intended for those interested in mission work, its usefulness is by no means confined to that field. In the outlying districts of China practically the only foreigners (other than Japanese) are those engaged in mission work, and for all practical purposes this volume becomes a directory of foreigners in China—at least of those living beyond the immediate vicinity of Treaty Ports—and as such it is of great value to the foreign merchant who wishes to introduce his wares at interior points. The missionary's chief work is, of course, religious teaching, but it is a well-established truth that trade, in China particularly, follows the missionary, and missionaries frequently find that their prestige is considerably enhanced by catering to the material desires of their flocks.

The Directory is arranged into four parts. In the first part the missionaries are arranged according to their denominational groups, in the second part the missionaries are listed according to the provinces and different centers, and in the third part all missionaries in China are arranged in alphabetical order, while in the fourth part is given a list of the principal national committees and organizations. Every bit of information that could be of value to anybody is included and everything is arranged so as to be available without any "hunting" for it.

In the United States Court for China

Recent Filings:

- June 3, 1918, From Consular Court, District of Shanghai; In re Estate of Cyril S. Garton, deceased; application for discharge.
- " 4, 1918, Cause No. 643, S. Heiman & Co. v. The Barkley Company; plaintiff's brief.
- " 4, 1918, Cause No. 657, John Layton Company v. Carl Blomberg; plaintiff's undertaking;
- " 5, 1918, Cause No. 643, S. Heiman & Co. v. The Barkley Company; Defendant's brief.
- " 5, 1918, Cause No. 618, In re James E. Gibson's will; beneficiary's receipt.
- " 6, 1918, Cause No. 657, John Layton Company v. Carl Blomberg; order.

- " 6, 1918, Cause No. 643, S. Heiman & Co. v. The Barkley Company Inc.; plaintiff's reply brief.
- " 6, 1918, Estate No. 139, In re Thomas Bassett's Will; beneficiaries' receipts.

Judgments and Orders:

- June 4, 1918, Cause No. 657, John Layton Company v. Carl Blomberg; temporary order of injunction.
- " 6, 1918, For Consular Court, District of Shanghai, In re Estate of Bertha S. Hess, deceased; order granting leave to distribute personal effects.

Assignments for Hearing:

- June 10, 1918, Cause No. 642, Marco, Finkelstein & Co. v. The Barkley Company, Inc.

JOHN LAYTON COMPANY (A CORPORATION),
COMPLAINANT. vs. CARL BLOMBERG, RESPONDENT.

Filed June, 1918.

SYLLABUS

1. **Contracts: Restraint of Trade.** The Common Law repugnance to contracts in restraint of trade has been much modified.

2—: The modern doctrine upholds a contract not to engage in a certain line of business within an extensive, and even unlimited, area for a limited time.

3—: **Divisibility.** Even where the contract contains restrictions which might render it void, still, if divisible, the valid portion may be enforced.

4—: **Remedy.** Such enforcement is effected by enjoining the threatened breach as a method of negative specific performance.

Messrs. Jernigan, Fessenden and Rose, by Mr. Rose, and Geoffrey H. Wright, Esquire, for the Complainant.

No appearance for Respondent.

LOBINGIER, J.:

This is a bill in equity, duly sworn to and containing the following averments:

"1. That the plaintiff is a corporation organized under the laws of the State of New York and having an agent and carrying on business in China and within the jurisdiction of this Court;

"2. That the defendant is an American citizen residing in Hankow, China, and within the jurisdiction of this Court;

"3. That the plaintiff is engaged in the manufacture of evaporated, dried, desiccated and frozen eggs and the defendant was and is thoroughly familiar with the processes for the manufacture of evaporated, dried, desiccated and frozen eggs;

"4. That on or about the ninth day of June, 1915, the plaintiff, contemplating the erection of a plant at Hankow, China, for the purpose of preparing and dealing in and with dried eggs, made and entered into a contract with the said defendant which said contract provided as follows:

"WHEREAS said Blomberg represents that he is thoroughly familiar with the processes for the manufacture of evaporated, dried, desiccated and frozen eggs and has had many years experience in the industry.

"WHEREAS the Employer contemplates the erection of a plant at Hankow, China, for the purpose of preparing and dealing in and with dried eggs and has entered into an agreement with A. D. Robinson by which said Robinson is to erect or cause to be erected such plant.

"WHEREAS the Employer desires to obtain the services of said Blomberg.

"NOW, THEREFORE, the parties hereto agree as follows:

"Said Blomberg has agreed and hereby does agree to enter the employ of said Employer and the Employer does hereby agree to employ said Blomberg for a period of three years from the first day of October, 1915, to the first day of October, 1918, at a salary of \$200 per month, payable on the last day of each and every month during the continuance of this contract, upon the following terms and conditions:

"Said Blomberg does hereby agree that he will sail from the United States for China not later than October 1st, 1915, and that he will go straightway to Hankow, China, and will there remain in the employ of said Employer upon the terms hereof during the term of this contract.

"Said Blomberg agrees to devote his entire time, attention and energies to the best interests of said Employer and the International Export Company in its business in China of manufacturing and dealing in and with frozen, dried, desiccated and evaporated egg and in matters pertaining to the erection and construction of the aforesaid contemplated plant in Hankow, China, and agrees that he will assist in properly instructing said John Layton Company's employees and the employees of the International Export Company in the manufacture of dried, desiccated, frozen and evaporated eggs, and will diligently and conscientiously perform any other services which may be required of him by said Employer and those appointed over him, and will obey the orders from time to time of said Employer and those appointed over him during the term of his employment.

"Said Blomberg further agrees that he will in all respects conform to and comply with the directions and regulations which may be given and made by the Employer and shall well and faithfully serve the Employer and use his utmost endeavors to promote the interests of the Employer and shall not at any time during the whole period of this contract or subsequently thereto divulge any secret or dealing or communicate to any person or persons any information which he may receive or obtain relating to the business of the Employer or said International Export Company, but shall at all times inform the Employer of all discoveries which he may make or information which he may receive in any way likely to affect the Employer's interest.

"It is the understanding of the parties hereto that the duties of said Blomberg may require services either by night or day, and that his agreement herein is to perform such services at all times as the best interests of said Employer may dictate.

"Said Blomberg agrees that during the term of this contract he shall perform all services in a thorough, competent and efficient manner, and that during the term of employment, he will be faithful to the best interests of said Employer.

"Said Blomberg further agrees that he will not at any time during the continuance of his employment be engaged directly or indirectly in any business or occupation whatever other than the business of the Employer or of said International Export Company.

"Said Blomberg further agrees that he will at no time without the written consent of said Employer either in his own behalf or in behalf of any person or company other than said Employer or said International Export Company, enter into any business in China in any way connected with or pertaining to eggs or poultry or any other kind of business transacted by or in behalf of the International Export Company and that he will not give out any information to any one other than the Employer and said International Export Company or the duly credited representatives of them or either of them in respect of any branch of the egg or poultry business in China or any other kinds of business transacted by the Employer or the International Export Company.

"If the employee shall at any time wilfully neglect or refuse or in any way prove himself dishonest or untrustworthy or from any other cause shall not satisfactorily carry out his duties, of which breach, incompetency, unsatisfactory conduct, insubordination or disobedience the Employer shall be the sole judge and whose decision shall be binding and conclusive, the Employer shall be at liberty to dismiss him and terminate this contract and pay to said Employer the portion of salary due to him for the time actually served up to the date of his dismissal."

"5. That after the execution of said contract and according to the provisions thereof the said defendant entered into the employ of the plaintiff and left the United States and came to Hankow, China; that the defendant there remained in the employ of the plaintiff until about the 20th day of October 1916, when the plaintiff dismissed the said defendant from its employ with just and sufficient cause as the plaintiff had the right to do under the terms of said contract; that the plaintiff provided the defendant with transportation from Hankow to the United States, and the said defendant left Hankow and returned to the United States;

"6. That thereafter to wit, during the month of February 1918, defendant returned to Hankow, China, and entered into the employ of a certain firm, to wit, A. Grosjean & Co., without the written consent of the plaintiff, that the said Grosjean & Company are business rivals of the plaintiff company and the International Export Company, and are engaged in business in China connected with and pertaining to eggs or poultry and other lines of business which are transacted by or on behalf of the plaintiff and the International Export Company;

"That the defendant is now and has been for some time past superintending, or assisting in the superintendence of, the erection of a plant at Hankow similar to the plant of the plaintiff and the International Export Company located in Hankow;

"That such action on the part of the defendant in returning to China and engaging in the employ of the said A. Grosjean & Company as above set forth was contrary to the provisions of the contract made and entered into by and between the plaintiff and defendant herein on the 9th day of June 1915, which are above set forth; and by so doing the defendant caused and is causing great and irreparable damage to the plaintiff."

The prayer is for an order restraining the respondent from infringing the agreement above recited, and for damages.

II

In addition to the general equity powers conferred upon this Court¹ the legislation of Congress expressly authorizes the granting of an injunction

"When it appears by the complaint that the plaintiff is entitled to the relief demanded, and such relief, or any part thereof, consists in restraining the commission or continuance of some act the commission or continuance of which during the litigation would produce injury to the plaintiff; or when it appears by affidavit that the defendant is doing, or threatens or is about to do, or is procuring or suffering to be done, some act in violation of the plaintiff's rights concerning the subject of the action, and tending to render the judgment ineffectual."²

We are not, therefore, required to look beyond the averments of this verified bill in order to determine whether the relief sought may be granted. Nor is it necessary that notice be given the respondent altho in this case such notice was given. The law requires, however, an undertaking on the part of the complainant

"that he will pay all costs and disbursements that may be decreed to the defendant, and such damages, not exceeding an amount therein specified, as he may sustain by reason of the injunction if the same be wrongful or without sufficient cause."³

The law considers this undertaking sufficient to protect the respondent and as dispensing with the necessity of notice.

In examining the bill the first question which arises is whether the agreement therein set forth is valid and enforceable. Contracts in restraint of trade were not favored by the Common Law,⁴ but the steady trend of decisions has been away from this doctrine and in the direction of allowing parties a greater latitude in making such contracts. It is no longer the rule either in England or America that a contract by which one party agrees not to engage in a certain business for a limited time within even an extensive area is void. Such a contract has been upheld as to the whole of England,⁵ of Great Britain,⁶ of the United Kingdom,⁷ together with other countries,⁸ as to an entire state,⁹ or territory,¹⁰ or group of states,¹¹ including all but two,¹² as to the whole of the United States,¹³

1. U. S. Rev. Stats., Sec. 4086.

2. Act of Congress of June 6, 1900, 31 U. S. Stats. at Large, Ch. 786, Sec. 386.

3. Id. Sec. 384.

4. *Mitchel v. Reynolds*, 1 P. Wms. 181 (1711).

"The inhibition against restraints of trade at common law seems at first to have had no exception. See language of Justice Hull, Year Book, 2 Hen. V., folio 5, pl. 26." Taft, J., in *U. S. v. Addyston Pipe & Steel Co.*, 85 Fed. 271, 280.

5. *Jones v. Lees*, 1 H. & N. 189.

6. *Whittaker v. Howe*, 3 Beav. 383.

7. *Tallis v. Tallis E. & B.* 391, 22 L. J. 185.

8. *Underwood v. Barker*, 1 Ch. Div. (1898-9) 300.

9. *Federal. Oregon Steam Navigation Co. v. Winsor*, 20 Wall. U.S. 64, 22 Law. Ed. 315.

Ohio. Paragon Oil Co. v. Hall, 7 O. C. C. 240, where, however, the City of Cleveland was excepted.

Rhode Island. Herreshoff v. Boutineau, 17 R. I. 3, 19 Atl. 712, 8 L. R. A. 469, 33 Am. St. Rep. 850.

10. *Godfrey v. Roessle*, 5 Appeal Cases (D. C.) 299.

11. *Federal. Davis v. A. Booth & Co.*, 131 Fed. 31; *Fisheries Co. v. Lennen*, 116 Fed. 217; *Harrison v. Glucose Sugar Refining Co.*, 116 Fed. 304.

Iowa. Swigert v. Tilden, 121 Iowa 650, 97 N. W. 82, 63 L.R.A. 608.

12. *New Jersey. Trenton Potteries Co. v. Oliphant*, 58 N. J. Eq. 507, 43 Atl. 723, 46 L. R. A. 255, 78 Am. St. Rep. 612.

New York. Diamond Match Co. v. Roeber, 106 N. Y. 473, 13 N. E. 419, 60 Am. Rep. 464.

13. *Federal. National Enameling etc. Co. v. Haberman*, 120 Fed. 415. *Massachusetts. Anchor Electric Co. v. Hawkes*, 171 Mass. 101, 50, N. E. 509, 41 L. R. A. 189, 46 Am. St. Rep. 403.

and even where there was no limit as to locality.¹⁴ The modern doctrine has been well stated as follows:

"In the strife for commercial supremacy which the nations of the world have now entered upon it would seem suicidal for this government, through its judiciary, to lag one whit behind the marching squadrons. In business transactions undeviating honesty is a prime factor. If that factor is eliminated, or even suspected, the handicap upon enterprise, advancement, and material progress will be serious, if not intolerable. The parties made the contract in suit with painstaking care. Why should the defendant not occupy the position into which he cramped himself by his own act? The answer, most vociferously enunciated, is that the public will be the loser thereby. Many ways in which it cannot lose have been adverted to. If there is danger at all, is it not much less dangerous to lay down the hard and fast rule that freedom of contract will always be sustained, provided such freedom is reasonably exercised? Freedom without that exception degenerates into license. In any event, would the anticipated harm be at all comparable to the enormous advantages which must accrue when it shall have become for all time the settled law that every man must abide by his bargain honestly made, when no lingering smirch of guilty design or harmful purpose clings thereto? It should not be so that a bargain which, upon every principle of justice, equity, and decency ought to be rigidly enforced, shall in any case be rejected because of some lingering respect for tradition."¹⁵

Under this doctrine, to which the Federal courts especially adhere, we see no reason why the contract recited in this bill should not be enforced even tho it prevents the respondent from engaging in the same business elsewhere in China. It seems clear, however, that the contract relates primarily to Hankow for it is there that respondent is required to remain during the term thereof. Moreover, the breach complained of is alleged to occur at Hankow and not elsewhere and it would appear to be sufficiently remedied if respondent were prevented from continuing in other employment at Hankow, tho the order may be extended if conditions require. And where such is the case and the contract is divisible it may be enforced locally even tho the provisions as to a larger area are not upheld.¹⁶

The remedy sought is a proper one in such a case as practically all of the foregoing authorities disclose. Damages would be inadequate and prevention is merely a negative method of specific performance.¹⁷

It is therefore considered and decreed that upon complainant's executing an undertaking as required by law in the sum of Tls. 25,000.00, a temporary injunction shall issue and remain in force until further order restraining the respondent from continuing in the employ of any one in Hankow other than complainant and the International Export Company whose business is in any way connected with eggs or poultry or that conducted by complainant and said International Export Company and from giving out any information concerning said business.

By the Court.

CHARLES S. LOBINGIER,
Judge.

14. *England*. Rousillon v. Rousillon, 14 Ch. D. 351; Nordenfelt v. Maxim etc. Co. Ltd. (1894) A. C. 535.

New Hampshire. Bancroft v. Union Embossing Co., 72 N. H. 402, 57 Atl. 97, 64 L. R. A. 298.

New York. Tode v. Gross, 127 N. Y. 480, 28 N. E. 469, 13 L. R. A. 652, 24 Am. St. Rep. 475.

Rhode Island. Oakdale Mfg. Co. v. Garst, 18 R. I. 484, 28 Atl. 973, 23 L. R. A. 639, 49 Am. St. Rep. 784.

15. Platt, J., in National Enameling etc. Co. v. Haberman, 120 Fed. 415, 421.

16. Oregon Steam Navigation Co. v. Winsor, 20 Wall. (U. S.) 64, 22 Law. Ed. 315.

17. Lumley v. Wagner, 1 De G. McN. & G. 604.

IN THE UNITED STATES COURT FOR CHINA

WILHELMINA CORREA
HAWLLEY,

Plaintiff.

vs.

EDWARD D. HAWLLEY.
Defendant.

Cause No. 658
Civil No. 214

SUMMONS TO ANSWER

Filed May 31, 1918.

WILLIAM A. CHAPMAN
Acting Clerk.

THE PRESIDENT OF THE UNITED STATES OF AMERICA to the Marshal of the United States Court for China,—

GREETING:

You are hereby commanded to serve this summons to answer and a copy of the petition in the above entitled action upon the defendant—

EDWARD D. HAWLLEY,

if found within the jurisdiction of this Court, and to notify him to be and appear before this Court on or before the twentieth day after service hereof to file his written answer hereto on oath.

(SEAL)

Witness the HONORABLE CHARLES S. LOBINGIER, Judge of the United States Court for China, at Shanghai, China, this 31st day of May, 1918.

WILLIAM A. CHAPMAN,

Acting Clerk.

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

First publication, June 8, 1918.

IN THE UNITED STATES COURT FOR CHINA

In re Estate of
EMMA B. THOMPSON,
Deceased.

Cause No. 637
Special Proceeding No. 236
(Administration)
NOTICE TO CREDITORS.

Notice is hereby given to all parties interested that the undersigned has been appointed Administratrix of the above named decedent's estate; that all persons having claims against the said estate are required to present the same for payment, with vouchers, to the undersigned on or before December 2, 1918, and all persons owing the said deceased are required to make payment to the undersigned.

MARY THOMPSON STEPHENS

Administratrix,

c/o American Consul,

Chefoo, China.

June 1, 1918.